DECLARATION

I, the undersigned ………………Saad Bashir Munther………………………………….……… aware of my criminal responsibility, I declare that the facts and figures contained in my dissertation correspond to reality and that it describes the results of my own independent work.

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An Analysis of the Competitive Landscape in Dubai's Islamic Banking Market

Submitted by: Saad Bashir Munther
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Budapest Business School

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Chapter 1: Introduction

1.1 Research Background

Dubai is considered a leader in the Islamic banking industry in the United Arab Emirates due to the abundance of Islamic banks and financial institutions found there (Al-Haija, Kolsi and Kolsi, 2021). One of the GCC success stories is the United Arab Emirates (UAE), whose government is actively pursuing the growth of Islamic finance as a means to diversify its economy (Wilson, 2009). The Islamic finance sector in Dubai expanded at a CAGR of 14.6% between 2010 and 2022, according to the Dubai Center for Islamic Economic Development (Wani, 2022). Principles of Islamic law, which are based on the principles of risk sharing and profit sharing (Shariah), govern the Islamic banking system (Jobst *et al.*, 2008; Elasrag, 2011).

To realize the UAE government's objective of becoming a global center for Islamic finance by 2025, Dubai has been trying to build a regulatory environment that attracts more Islamic financial institutions and encourages the expansion of the sector (Alam, Gupta and Zameni, 2019). Despite problems such as a lack of transparency, a lack of standards, and rivalry from traditional banks that are holding the market back Dubai's Islamic banking sector is able to help the local economy diversify and expand (Basov and Bhatti, 2016).

There is a dearth of literature on the competitive landscape of Dubai's Islamic banking sector, and it is essential to have an understanding of the factors that contribute to the competitiveness of Islamic banks in Dubai. It is possible to say that there is a dearth of literature on this topic. This research intends to fill this knowledge gap by conducting an analysis of the Islamic banking industry in Dubai and identifying the most significant factors that influence the competitiveness of Islamic banking in the emirate of Dubai.

In order to fill this gap, this research utilizes a mixed strategy, combining in-depth case studies of specific Dubai-based Islamic financial institutions with in-depth interviews of industry leaders. Specifically, the research focuses on the Dubai Islamic Banking and Financial Center. The significance of this research lies in the fact that it intends to shed light on the competitive landscape of the Islamic banking sector in Dubai in order to improve our understanding of the factors that contribute to the competitiveness of Islamic banks in that community.

1.2 Research Problem

It is also considered important to gain an understanding of the factors that influence the competitiveness of Islamic banks in Dubai; however, there has been relatively little research conducted on the competitive situation of the Islamic banking market in Dubai. Despite their expansion, Islamic banks in Dubai are contending with a number of obstacles, including those listed below. insufficient standardization and transparency, as well as competition from traditional banks In particular, Islamic banking is on the rise in the United Arab Emirates (UAE), where the government is actively encouraging the development of Islamic banking as part of broader efforts to diversify the economy of the country. Islamic banking is on the rise in other countries as well. And that is it. This study aims to fill the knowledge gaps caused by the lack of previous research in order to shed light on the current state of the Islamic banking sector in Dubai, which is based on the aforementioned information. Therefore, the study addresses the issue in this field by providing an explanation of the competitive situation in the Islamic banking market in Dubai and revealing the factors that contribute to the success of Emirates Islamic Banking. It will provide Dubai's Islamic banking sector's operators, policymakers, and regulators with valuable information on the challenges that they are currently facing.

1.3 Research Questions

This research will aim to answer the following research questions:

1. What is the competitive landscape of the Islamic banking market in Dubai?
2. What are the key factors that contribute to the competitiveness of Islamic banks in Dubai?
3. How do these factors vary among different Islamic banks in Dubai?

1.4 Research Conceptual Framework

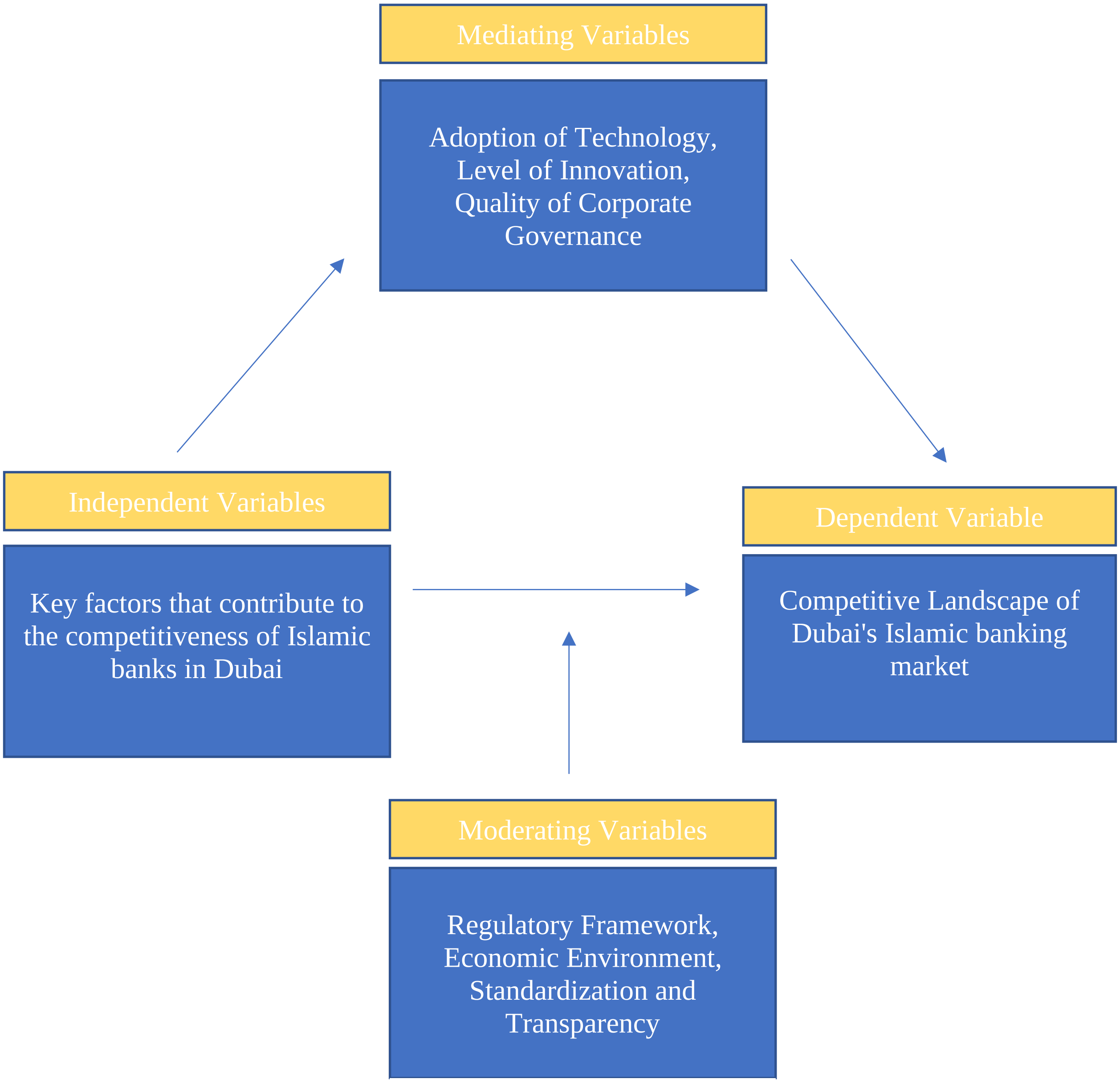

Figure 1: Research Conceptual Framework

This conceptual framework demonstrates how the dependent variables (essential elements influencing the competitiveness of Islamic banks in Dubai) and the moderating variables (regulatory framework, economic environment, standardization and transparency) influence the independent variable (competitive landscape of Dubai's Islamic banking market) and the dependent variables in turn (adoption of technology, level of innovation, quality of corporate governance). By highlighting the important theoretical and empirical linkages that will be examined, this graphic will aid in directing the research.

The following research hypotheses are suggested in light of the conceptual framework presented:
Hypothesis 1: The main elements that boost the competitiveness of Islamic banks in Dubai have a beneficial impact on the competitive environment of the market for Islamic banking in Dubai.
Hypothesis 2: The regulatory environment, economic climate, and degree of standardization and openness in the Islamic banking sector all favorably affect the major elements that lead to the competitiveness of Islamic banks in Dubai.
Hypothesis 3: The adoption of technology, degree of innovation, and standard of corporate governance are the major variables that positively impact the competitiveness of Islamic banks in Dubai.

1.5 Research Structure

The following outline will be used to conduct the research on Dubai's Islamic banking market's competitive environment:
Chapter 1 Introduction: The introduction will include a general summary of the study's topic and problem as well as its goals, main points, and relevance.
Chapter 2 Literature Study: The literature review will give a general overview of the body of knowledge on Islamic banking in Dubai as well as the state of the Islamic banking market. This will include an analysis of reports, academic articles, and other pertinent literature.
Chapter 3 Case Study: In order to conduct the case study portion of this project, data from a few Islamic banks in Dubai will be gathered and analyzed. The case study will be created to give readers a thorough grasp of Dubai's Islamic banking market's competitive environment as well as the major elements that influence how competitive Islamic banks are there.
Chapter 4 Methodology: The research design, data collection techniques, and data analysis techniques will all be covered in this section. A description of the participants and the sample methods will also be included.
Chapter 5 Results and Discussion: In the results and discussion section, the study's conclusions will be presented, along with a thorough examination of Dubai's Islamic banking market's

competitive environment and the major elements that influence the emirate's Islamic banks' ability to remain competitive. This chapter will present the findings in light of the literature review and the study's objectives.

Chapter 6 Conclusion: In the conclusion, the key research findings will be outlined, along with their implications for Islamic banks in Dubai. Additionally, it will suggest areas for further study.

Chapter 2: Literature Review

2.1 Introduction

This chapter examines the latest research on Islamic banking in Dubai and the state of the Islamic banking market. It also lays the foundation for the research methodology described in the chapter following this chapter and shows possible gaps in knowledge that this study aims to fill.

2.2 Islamic Banking

2.2.1 History and Background

The main focus of the first wave of Islamic philosophy in the 19th century was how to change traditional Islamic communities in order to either argue with or disagree with Western intellectual and financial dominance. The supremacy of the West, said Abdel Rahman el Jabarti, was not only a result of technology but additionally stemmed from its worldview, which relied on the core ideas of capitalism. Many Muslim thinkers held the view that change required a shift in one's overall outlook or methods of understanding the world. For the purpose to grasp the change that was occurring, older terminology that stressed the "otherness" of the West was no longer helpful. As a result, new terms and phrases were needed to characterize developing nations and their cultures (Ahmed and Robinson, 2022).

How to alter the property structure to foster efficiency while adhering to the laws of sharia and the belief that land is a gift from God was one of the issues that arrived up throughout this period. The system of schooling needed to both prepare students for creative changes and act as an obstacle to modernity's tendency toward disintegration which was another crucial problem (Ahmed, 2010). The creation of the person as a primary category of thought and behavior, which is a vital component of modernity, was stressed in Jabarti's thought. Certain scholars prioritized custom and sharia conformance, but others believed the advancement of Muslim nations and the financial security of Muslims were essential prerequisites for social change (Iqbal and Mirakhor, 1999).

In order to modify conventional Islamic society and fight the infiltration of the West, the first era of Islamic thought in the nineteenth century focused on developing a new set of ideas and language.

The goal of Islamic thought's second phase, which began at the turn of the 19th century amid the surge of colonialism, moved to envisioning and enacting an Islamic society free from Western powers. The main objective was to stop moral values from collapsing in the midst of the market's growth and the temptation to accumulate and commodify them. In opposition to the selfish ideals of capitalism, the perfect Islamic society would place a strong emphasis on social unity, sharing, cooperation, and care for the underprivileged. The state was viewed as the primary entity capable of coordinating major societal shifts and reshaping society in line with Islamic principles, as well as reacting to populist demands and resisting with force. A remedy was suggested in the form of Islamic socialism, which placed a premium on collaboration and unity following the lead of the Messenger of Allah. Islamic socialism, in contrast to Western socialism, was founded on accepting an individual's societal standing as determined by God rather than aiming for equality. Islamic socialism sought to moderate the excesses of both communism and capitalism by balancing the demands of the person and society. As a "third way" that avoided the violations of both capitalist and Western socialism, it was viewed as a solution. Arab socialism however grew more secular and less reliant upon Islamic discourse over time, aside from for aesthetic purposes (Ahmed, 2010).

A financial structure that complies with Shariah, or Islamic law, is known as Islamic banking. This system forbids the billing or payment of interest and is founded on the concepts of sharing risks and responsible spending (riba). Instead, Islamic banking makes use of, among other things, asset-backed funding and profit-sharing agreements. The years 1960 and 1970 saw the emergence of Islamic banking in the contemporary period as Muslim nations started to amass significant riches from the sale of power. As a result of these nations' desire to find methods to spend their newly acquired riches in accordance with Islamic principles, a variety of financial products that kept to Shariah law were created (Grais and Pellegrini, 2006).

Islamic banks and financial organizations are now present in many nations around the world, making Islamic finance a worldwide business. The marketplace has continued to expand and change, and new goods and services are being developed to satisfy the demands of Muslim businesses and clients. The idea of risk-sharing is one of the main components of Islamic banking. This indicates that all parties to a financial deal participate in the gains and losses rather than having to bear these individuals all on their own. This encourages greater responsibility and openness as well as a more moral and just financial structure (Jobst *et al.*, 2008). The use of asset-backed funding is a significant aspect of Islamic banking. As compared to risky ventures or financial futures, funding can therefore be offered based on the worth of physical assets such as real estate or commodities. This aids in risk mitigation and financial system security. Islamic finance, which offers a framework built on moral values and intended to advance equitable society and economic security, is thus a significant advancement in the field of finance. Although the industry is still in its infancy, it is projected to expand and change over the coming years(Kayed, 2012).

Islamic banking has a long past that can be traced to the growth of commerce in the Mediterranean region and the spread of Islam. Muslim merchants added significantly to the growth of banking operations, which influenced the formation of the financial industry in Italy during the Middle Ages. Other faiths have also had an impact on Islamic financial principles, including the ban on extortion. Islamic finance has reemerged in recent decades as an option to the existing banking and financial systems, having previously remained on the periphery of capitalism's financial growth (Ahmad *et al.*, 2020).

With more than 600 of these institutions operating across nearly 50 nations, Islamic banking has grown to be an essential component in the global financial system. The rise of pan-Arabism and Wahhabism as well as the repurposing of petrodollars from the beginning of the 1970s are factors in the development of Islamic finance. While certain nations have launched an effort to implement free-of-interest financial systems in order to adhere to the sharia's principles, other nations deficiency leaders and financiers who can perfect tools adhering to the Islamic principle (Abasimel, 2022).

Islamic finance is aimed at Muslims who want to follow their religious faith, people seeking an ethically-based financial system, and business owners in poor nations who cannot access financing through the traditional financial system. Islamic finance has emerged as a reaction from conventional banks in Western nations to Muslim local savers' prospective savings and to draw national funds from Gulf oil reserves. Islamic finance is becoming a significant element of funding national economies, especially in the Maghreb and Mashriq area, as the number of Islamic institutions increases (Alam and Ali, 2021).

2.2.2 Definition and Aspects

Islam is a fundamentally Abrahamic religion that was acquired from Christianity and Judaism. Numerous biblical stories are found in the Quran, and Islamic beliefs demand that earlier works be acknowledged (Law and Gospel) (Islam, 2010). Islamic finance is inspired by faith and founded on the Quraan. This expands on discussions of religion while defining reason in terms of ethical and practical considerations. It is a financial system that frequently highlights the fact that it is distinct because it is based on fairness, unity, and security. Many concepts or techniques, though, are actually not all that dissimilar from the conventional banking system. The literature on the parallels and differences between Islamic and Western financial systems is raised by this, which poses a number of questions. One of the main characteristics of Islamic banking that is frequently used to define it is the prohibition of lending with interest. The long-standing issues that have led to the rejection of uniform interest are addressed by this financial system (Ahmad *et al.*, 2020).

Islamic finance explains banking and financial practices that conform to Sharia, or Islamic law, as well as how this law is actually put to use in all areas of commerce. Mudarabah (profit and loss sharing), Wadiah (safekeeping), Musharaka (joint enterprise), Murabahah (cost-plus), and Ijara represent a few of the techniques employed in Islamic banking (leasing) (Basov and Bhatti, 2016).

Usury, which is described as the interest levied on debts, is categorically forbidden by Sharia. While some Muslims question whether interest constitutes the same thing as riba, it is also prohibited to engage in businesses that offer services or goods that are incompatible with Islamic law, such as pork meat or alcohol (Ghauri and Masood, 2015). One of the five main requirements for all Muslims is zakah or mandatory giving. The other three are the Hajj, the Salat (religious supplication), and the swearing-in of the Shahada (vow of religion). (pilgrimage to Mecca).

According to passage 22:78 of the Quran, Abraham, who is considered as the founder of Islam, obtained all of these customs (Ghauri and Masood, 2015).

Various metrics are usually used to assess economic development, some of which offer a distinct image of economic development to aid governments in formulating effective national policies. Some of these measures, though, have the potential to deceive the general population about the pace of economic development. As Muslims, we can use zakat as a new metric to assess economic development. The rate of economic development rises when individuals pay Zakat, and vice versa. In order to close this disparity and lessen societal problems in the Muslim world, Zakat as a money system can support economic activities that lead to sustainable growth (Naceur, Barajas and Massara, 2017).

Islamic financial institutions frequently experience accounting problems as a result of current standards, like IFRSs or local GAAP, being created based on traditional companies, goods, and practices. As a result, accounting standards for financial reporting by Islamic financial agencies must be developed. These requirements might not be sufficient to record and account for Islamic money activities (Kabbara, 1988).

There may be no counterparts in conventional funding for sharia-compliant deals that forbid collecting interest, having major financial ramifications. Additionally, there is demand in the Islamic banking sector to increase risk management procedures and investment protection.

The AAOIFI's accounting standards are a reference that represents the special features of Islamic financial institutions (IFIs) and can be a helpful instrument to satisfy a variety of their requirements.

The compilation of financial accounts under various rules of accounting, which can cause problems with comparison, dependability, and conformance level assessment, is one of the biggest challenges came across by IFIs. It contributed to a contentious discussion among experts, which has so far added to the material that is currently being created to comprehend the degree of conformance with Islamic accounting principles (Sarea and Hanefah, 2013). Sarea (2013) found that 85% of the respondents concurred with the AAOIFI accounting norms with a high level of compliance in a survey to gauge views regarding the level of compliance with AAOIFI accounting standards in Bahrain (Sarea and Hanefah, 2013). Only 5% of respondents said they agreed with a low level of conformance with the AAOIFI accounting guidelines, and the other ten percent said they agreed with a middling level of compliance. AAOIFI standards and other bank characteristics were examined in an additional study by Al-Baluchi (2007) to see how they affected the optional disclosure levels in the yearly reports of 34 Islamic banks, including 14 banks from Bahrain, 26 banks from Sudan, and 2 banks each from Qatar and Jordan (Hazaa, Othman and Musa, 2020).

Islamic banks primarily operate in developing Middle Eastern, African, and South East Asian countries, but they frequently run into difficulties getting new metrics for accounting due to a lack of legal framework and sporadic financial reporting. However, the quick growth of Islamic financial underpinnings generally aids in improving the acceptability of Islamic accounting principles, general exposure standards, and indicators of Islamic characteristics.
Many of the rules within Islamic banking and finance are in conflict with Islamic Shariah and were rejected; however, those that appear to be in line with Islamic Shariah are accepted and adopted. Islamic banking and finance have primary tenet and restrictions to follow.

Islamic banking and finance also place a high value on morality and societal duty in their daily activities. Avoiding involvement in sectors like gaming, booze, and the manufacturing of weapons is one way to do this. Islamic financial institutions, on the other hand, give morally conscious industries like green energy, education, and healthcare top priority.

The Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) is instrumental in creating and executing Sharia-compliant accounting and auditing guidelines. It is crucial to make sure that, as Islamic banking and finance continue to expand, these organizations uphold the distinctive tenets of Sharia law while also remaining successful in the world financial market.

Therefore, riba, which is frequently understood as interest, is forbidden in financial deals according to Islamic Shari'ah standards. Conventional loans with interest are prohibited since this is a basic tenet of the Islamic financial and banking system. Additionally, from a Shariah viewpoint, any deals that contain a substantial amount of gharar (extreme doubt) or maysir (speculation) are regarded as being void. Shari'ah states that only commerce in products and services that have been deemed kosher is permitted. (lawful). As a result, an Islamic investor's inventory shouldn't contain any shares of a business that significantly profits from haram (illegal) activities like drinking, gaming, eating non-halal meat, or traditional banking (Al-Jarhi and Iqbal, 2001).

Numerous financial tools, which include the following, have been created due to the possibility for financial invention and growth in the Islamic financial system (Sole, 2007):

1. A profit-sharing collaboration where one partner contributes capital and the other partner engages in business action is known as a mudarabah (funding group). This is frequently used as a foundation for constructing Sharia'a-compliant financial accounts and usually pertains to bank savings.

2. Murabaha (cost-plus selling): an upfront acquisition and transfer for a profit.

3. Musharakah (equity partnerships) is a very adaptable tool for coordinating foreign business between multiple participants. Profits will be divided according to a predetermined ratio, and losses must be shared in the same amount as placed money. An intriguing use of such a contract is a collaboration in charitable giving, where one partner presents their reputation, credit, or track record in exchange for a certain amount, allowing the other to engage in business even though there may not be any financial input.

4. Salam (Islamic forward): a deal in which a product is bought for future distribution, with the entire purchase price given in advance. The salam vendor provides the products at maturity after receiving funding from the salam client, which is typically an Islamic bank.

5. Sukuk (Islamic bonds): financial documents that attest to a proportionate ownership interest or a beneficial stake in a project or commodity.

6. Takaful (Islamic insurance): Mutual insurance is offered.

7. Ijarah (Islamic leasing): A legally enforceable agreement whereby the proprietor of something with inherent worth transfers their usufruct to a third party for a predetermined time in exchange for a set fee.

In order to prepare and develop accounting, auditing, governance, ethical, and Sharia-compliant standards related to the operations of Islamic financial institutions throughout the globe, the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) has developed various types and methods of Islamic finance and distributed Financial Accounting Standards (FAS).

Sharia law, which is another name for Islamic law, is followed in Islamic banking (Algaoud and Lewis, 2007). It forbids interest payment and collection, which are both forbidden in Islam because interest is regarded as usury. It is founded on the ideas of equity, justice, and equality (Ahmed, 2010). Instead, profit and loss from financial transactions are shared by the bank and the customer under the Islamic banking system (Iqbal and Mirakhor, 2011).

The most compliant actions are therefore those that involve participation in Islamic finance. Moudharaba or Mousharaka closely resembles the well-known limited partnership structure. These partnerships forge bonds between financiers and businesspeople who work together to produce profitable or profitable activities that are in everyone's best interests. As a result, the ability of managers—also known as "silent partners" or "supporters"—to mobilize resources that in turn produce prosperity for the community is not restricted by a lack of capital managers. or sanitized. Therefore, those who find themselves in this situation are urged to increase their fortune by making charitable donations out of faith (sadhaka) or by engaging in business ventures. However, using such a strategy would cost the bank cash and intelligence. Direct depositor investment in tangible assets necessitates a corresponding commitment from the bank. Understanding various economic areas is crucial (Iqbal and Mirakhor, 2011).

Due to these limitations, Mourabah and other commercial ventures have significantly advanced Islamic banking, leading to the emergence of the petrodollar, for example. But what if, despite being beneficial to real estate, this type of loan is still included in Islamic banking? In reality, the bank buys the property in the Mourabach company on behalf of the client in the knowledge that it will eventually be paid back. The issue price is lower than the redemption price, which accounts for the bank's earnings margin. in preparation and by contract. These margins are typically calculated using a reference interest rate, most frequently his LIBOR (London Interbank Offered Rate) or government asset yields, depending on the client's rating/rating (Sole, 2007).

Table 1. Operations at the heart of Islamic finance

Participatory operations	Operations without counterparts	Commercial operations
Moudha raba (Profit participation. A partner provides the funds - Rab al mal - and the other - Moudharib - the experience, the expertise and the management. The profit is shared between the two players on a basis agreed upon in advance, but capital losses are assumed by the provider of the capital	**Qard al Hassan** (A loan of goodwill/benevolence that will be reimbursed on a due date without paying interest)	**Mourabaha** (Sales agreement with an increased price of profit margins known and agreed upon between the buyer and seller)
Mousharaka (Capital participation. Several partners fund a business, share profits according to a previously defined rate while losses are divided amongst themselves according to the level of their participation in the capital. Company management is entrusted either to all partners, or to part or only one of them)		**Salam** (Agreement where the price is paid at the signing whereas the delivery of the property is handed over on a later date fixed in advance. To be consistent with the principles of the Shariah, this formula must be based on two separate agreements)
		Ijara (Rental/sale. A financial institution purchases equipment or a property and leases it to another officer who will conduct periodic payments throughout leasing period. The first agreement commits the Bank to buy goods from the supplier in return for a cash advance while setting the date of delivery according to the needs of its client. The second agreement is for the resale of the goods)

As was already stated, the operation is more complex, making it unclear how this differs from traditional loans. This scheme is identical to the one for which he is known in Islamic banking as Bay'el'Inah. Using this method, a bank can give a debtor cash in exchange for a cloth (or other item) and make a commitment to purchase the same item back from them under the same conditions. The debtor consents to increase the price of the products and add the profits to the purchase. In a contract, matter serves only a symbolic purpose and is frequently disregarded.

People consequently started to question the Islamic origins of Islamic banking. The issue is that in Islamic finance, these kinds of activities have largely taken over. These different tools can be used by people or business people whose primary occupation is not banking. In Islamic environments, direct finance frequently evolved in this manner. Real Islamic banks, on the other hand, have begun to expand gradually over the past 50 years (Hunt-Ahmed, 2013).

2.3 Islamic Banking in Dubai

Islamic banking has expanded significantly in the Middle East since its inception; today, Islamic financial institutions operate in more than 75 countries around the world. Due to the significant increase in the number of Islamic banks and financial institutions operating in the emirate, the Islamic banking sector in Dubai is growing rapidly (Naceur, Barajas and Massara, 2017). Dubai has become a leading center for Islamic finance in the region thanks to a welcoming regulatory environment, a thriving financial sector, and its commitment to promoting Islamic finance as a critical enabler of economic growth and development (Khan and Bhatti, 2008).

One of the most significant Islamic financial hubs in the world is Dubai, which has made a name for itself in the industry (Wilson, 2009). One of many steps Dubai has taken in recent decades to promote the expansion of Islamic finance is the creation of the Dubai International Financial Center (DIFC), which offers a regulatory framework for Islamic finance. Due in large part to his DIFC, international Islamic banks, and financial institutions have been drawn to Dubai. In Dubai, there will be more than 20 Islamic banks by 2023 (Alam and Ali, 2021). These banks provide a range of goods and services, including retail, commercial, investment, and wealth management banking. Due to the rising domestic and international demand for goods and services associated with Islamic finance, the Islamic banking sector in Dubai has been expanding steadily in recent years (Osmanovica, Kb and Stojanovic, 2020).

The Islamic banking sector has benefited from Dubai's friendly business environment, cutting-edge infrastructure, and regulatory framework. The Dubai government has aided in the development of Islamic banking by fostering a favorable environment, lowering taxes, and supporting the sector through international marketing campaigns. In conclusion, Dubai's Islamic banking sector is a vital component of the city's financial system and has had a big influence on the city's expansion and growth. Due to its welcoming business environment, accommodating regulatory framework, and rising demand for Islamic financial products and services, Dubai has become a significant center for the Islamic banking (Liu and Lai, 2021).

The many Islamic banking services and products that are widely accessible in Dubai include current accounts, savings accounts, trade finance, mortgages, and investment products (Wilson, 2009). Additionally, Islamic banks and financial institutions provide a variety of Sukuk (Islamic bonds) and other investment products with Shariah-compliant structures (El Qorchi, 2005). The competitive environment for the Islamic banking industry in Dubai is diverse, with a mix of domestic and foreign players providing a range of goods and services to their clients (Grais and Pellegrini, 2006). Despite the growth of the Islamic banking industry in Dubai, little research and analysis have been done on the market dynamics and competitive forces. By carefully examining the competitive environment and the variables affecting competition in the Islamic banking sector in Dubai, this study seeks to close this gap in the literature.

2.4 Competitive Landscape of Islamic Banking in Dubai

According to the Islamic Finance Development Index, the United Arab Emirates has the fourth-largest Islamic financial market in the world, with eight fully-fledged Islamic banks and several conventional financial organizations managing Islamic markets. More than 20% of banking goods in the UAE now include Islamic components, according to the IFSB. In 2021, new Shariah-compliant regulations were implemented, requiring Islamic tellers at Islamic banks and traditional financial institutions to adhere to AAOIFI Shariah standards (Tafri, Rahman and Omar, 2011).

The continued emphasis on social, governance, and environmental credit was another significant development in Islamic banking in 2021. With the assistance of numerous international banks and organizations, the International Islamic Financial Markets has worked on a transition in the interbank offered interest rate and has released papers on structured solutions for risk-free interest rates for Murabaha and Ijarah transactions. It was also shown the UAE Ministry of Climate Change and Environment announce the 2021–2031 UAE Sustainability Financing Framework, which includes a number of lofty energy goals from the government. In 2021, there was more challenges for the UAE's Islamic banking sector as a result of the country's highly competitive market (O'Kelly, 2022). Despite this, the United Arab Emirates continues to provide chances for the growth of Islamic finance, with the sector expected to continue growing in 2021. In the UAE's Islamic stock market, fewer sukuk were issued in 2021 than in 2020. This is due to the fact that higher oil prices have decreased the budget deficit of the government and the desire for capital on the capital markets. Stricter tangible ratio requirements with new resolution trigger like tangible and delisting events, related put options, and partial loss events were part of regulatory changes made by top Shariah authorities in early 2021. These changes had an even greater effect. Despite this, the UAE sukuk market was extremely busy in 2017. Notably, in a short period of time, Dubai Islamic Bank issued two landmark sukuk facilities, Emaar Properties revived the international sukuk market with its $500 million issuance, and the Sharjah government issued a $750 million facility (*Dubai Islamic Bank sells $750 million in debut sustainable sukuk | Reuters*, no date).

Furthermore, it appears that the events of 2020 and 2021 pushed Islamic banks in the United Arab Emirates to advance their digital strategies and embrace technology more quickly than they otherwise would have been able to. In 2022, it has been anticipated that trend to persist. As it gains more traction in the Islamic finance industry in 2022, Islamic syndicated finance will draw more players. Islamic syndication has the potential to increase the market's options for raising capital outside of sukuk, and as a way for financial institutions to get more inventive and broaden their product offerings, the Islamic banking industry (Abasimel, 2022).

Islamic finance is expected to continue its rapid expansion in the United Arab Emirates in the future, outpacing conventional financial assets. This growth is not surprising, given the stabilizing oil prices, and the improving economic conditions. Additionally, the production of sustainable energy is likely to generate many new ventures that require significant capital investments. The issuance of sukuk, which provides diverse sources of capital to issuers, is also expected to increase in the green, sustainable, and socially conscious sectors. Looking ahead, it is expected to be an exciting year for the sukuk market as a whole, with the Islamic economy in the UAE well-positioned for growth due to improvements in volume, product sophistication, adoption of new technologies, and alignment with sustainable finance principles. The UAE Islamic and regional banks are currently experiencing substantial liquidity, and Islamic financial products are expected to represent 25% of all banking assets in the country (Ahmed and Ali, 2020). Accordingly, In Dubai, the Islamic banking industry is booming and has expanded quickly in recent years. In Dubai, the Islamic banking industry is extremely competitive, with numerous banks providing a wide range of goods and services. Many of these banks have a long history in the industry and are well-known in the area (Muhammad, Basha and AlHafidh, 2020).

The competitive environment for Islamic banks in Dubai is determined by fierce competition among various market players. Banks compete with one another in a variety of areas, such as marketing, branding, pricing, and customer satisfaction. In order to meet shifting customer demands, many banks are implementing new strategies for Islamic banking and providing novel and distinctive products and services (Zouari and Abdelhedi, 2021).

In order to capitalize on the rising demand for Islamic banking services, a lot of new players are also flooding the market. By supplying low-cost, state-of-the-art goods and services, these new competitors raise the level of competition in the market (Akpan, Udoh and Adebisi, 2022).

Islamic banks in Dubai are always looking for novel ways to set themselves apart from their rivals, satisfy shifting customer demands, and maintain market competitiveness. Due to this, our current emphasis is on technology and innovation, and are committed to offering top-notch customer service. Despite stiff market competition, Dubai's Islamic banking industry is thriving and still growing. Future growth in the banking sector is anticipated, and banks are making active efforts to grow their market share and draw in new clients (Zouari and Abdelhedi, 2021). Accordingly, with an increasing number of Islamic banks operating in the city, Dubai has recently become a center for Islamic finance. Technology adoption, the degree of innovation, operational standardization and transparency, the regulatory environment, and the efficiency of corporate governance are all factors that affect how Dubai's Islamic banking sector competes (Hassan *et al.*, 2022).

Mashrek Bank, Abu Dhabi Islamic Bank, and Dubai Islamic Bank are the top three Islamic banks in Dubai in terms of market share. These banks have been successful in developing sizable customer bases and gaining a commanding market position (Grassa, Khlif and Khelil, 2022).

Technology's development has had a significant impact on how competitive Islamic banks are in Dubai. To diversify their product offerings and enhance the customer experience, many banks are investing in digital and mobile banking platforms. They were able to stay one step ahead of their rivals and better adapt to the shifting requirements of their clients (Hsu, Kovács and Koçak, 2019).

The competitiveness of Islamic banks in the market is heavily influenced by innovation. Islamic banks in Dubai are searching for cutting-edge goods and services to satisfy the ever-changing demands of their clients. Some banks now provide their clients with a traditional mortgage substitute that complies with Shariah (Ahmad *et al.*, 2020).

Corporate governance standards are a significant factor influencing the competitiveness of Islamic banks in Dubai. The bank can operate effectively, transparently, and accountably thanks to strong corporate governance procedures, all of which help to boost client confidence (Farah *et al.*, 2021).

The competitiveness of Islamic banks in Dubai is also greatly influenced by the economic and regulatory environments (Qambar, 2020). A favorable regulatory environment and a secure economic climate are the driving forces behind the expansion and development of the Islamic banking sector (Kismawadi, 2023).

In conclusion, the competitive landscape for Islamic banks in the Dubai market is influenced by a number of intricate and interconnected factors, including the rate of technological adoption, the degree of innovation, the standardization and transparency of corporate governance, the regulatory environment, and the overall state of the economy. This review of the literature gives a thorough overview of the current competitive environment and highlights important elements influencing Dubai's competitiveness.

2.5 Essential Elements Influencing the Competitiveness of Islamic Banks in Dubai

Determining the competitive environment of the Islamic banking market requires careful consideration of the key variables influencing the competitiveness of Islamic banks in Dubai. These considerations cover things like a company's financial performance, innovation level, adoption of new technologies, product offerings, and level of customer service excellence (Muhammad, Basha and AlHafidh, 2020).

Dubai His Islamic Bank is not an exception to the rule that financial performance is a crucial consideration in the financial sector when assessing competitiveness. The competitiveness of Islamic banks in Dubai is influenced by a variety of factors, including efficiency, asset quality, and profitability levels (Khalifaturofiʻah, Listyarti and Poerwanti, 2022).

Another crucial element that affects competitiveness is the quality of the customer experience. An Islamic bank in Dubai must deliver first-rate customer service in order to establish a strong reputation, draw in new business, and keep hold of current clients. This includes giving customers prompt, attentive service, exceeding their expectations, and effectively handling complaints (Yen, Tsaur and Tsai, 2023).

Product offerings are yet another crucial element of competition. To satisfy the various needs of its customers, an Islamic bank in Dubai must provide a variety of products. Both more specialized products like sukuk and takaful insurance as well as more conventional banking products like deposits, loans, and investments are included in this. Brand image is another crucial component of competitiveness. Islamic banks in Dubai must create a powerful and admirable brand image if they want to draw in and keep customers and stand out from their rivals (Swain, 2021). Building a reputation for honest dealings, transparency, and responsible banking is necessary for this (Kaakeh *et al.*, 2020).

The degree of innovation and the uptake of technology are her other two factors that have an impact on competitiveness. Islamic banks in Dubai must constantly innovate and adopt new technologies if they want to stay relevant and competitive in the market (Ezzaouia and Bulchand-Gidumal, 2020). To improve decision-making, this includes utilizing big data analytics, artificial intelligence, and digital banking solutions.

In conclusion, a combination of financial performance, quality of customer service, products offered, brand image, level of innovation, and level of technology adoption are the major factors influencing the competitiveness of Islamic banks in Dubai. These elements are crucial in determining the level of competition in Dubai's Islamic banking market.

2.6 Regulatory Framework and its Impact on Islamic Banking in Dubai

The competitiveness of Dubai's Islamic banking market will be influenced by the regulatory environment. The Dubai Government has put in place a number of policies and rules to support the growth and development of the Islamic banking sector through regulators like the Central Bank of the United Arab Emirates and the Dubai Financial Services Authority (Rahmayati, 2021). These guidelines are designed to safeguard the interests of our clients and other interested parties and to make sure that business operations are open, equitable, and effective. Corporate governance, risk management, and disclosure rules are a few of these.

The Dubai government has made it possible for the Islamic banking industry to expand its clientele, the scope of its offerings, and its market share by fostering a supportive regulatory environment. The corporate governance standards and level of innovation in the sector have also improved, boosting the sector's overall competitiveness (Muhammad, Basha and AlHafidh, 2020).

The regulatory framework, however, may also present difficulties for the sector, particularly if it is overly onerous or bureaucratic. The regulatory framework must be well-balanced in this area to allow the industry to develop and compete successfully while safeguarding the interests of consumers and other stakeholders.

2.7 Economic Environment and its Impact on Islamic Banking in Dubai

The economic climate in Dubai has a significant impact on how competitive Islamic banks operating there are (Bose, 2020). The strength, expansion, and diversity of regional economies have a significant impact on the competitiveness of Islamic banks. As the economy grows and stabilizes, there is a strong demand for financial services, which presents an opportunity for Islamic banks to grow their market share and boost their earnings (Abasimel, 2022).

A diverse customer base is also created by the existence of various economic sectors, which enables Islamic banks to provide a wider range of financial goods and services (Shahid *et al.*, 2022).

The economy of Dubai is characterized by consistency, growth, and diversity. The city is a well-liked location for investments and businesses because it connects free market economies, modern infrastructure, and Europe, Asia, and Africa (Davidson, 2022). This has improved the business climate for Islamic banks and diversified the local economy. A number of economic initiatives have also been launched by the Dubai government to promote investment and draw in foreign businesses. As a result, the local economy will grow and an ideal operating environment for Islamic banks will be created (Buckley and Hanieh, 2014).

In conclusion, the economic climate of the city has a significant impact on how competitive Islamic banks that operate in Dubai are. Islamic banks can perform better financially and expand their market share in a stable, developing environment with a variety of economic sectors. 2.5.4 Impact of transparency and standardization on Islamic banking in Dubai

2.8 Standardization and Transparency and its Impact on Islamic Banking in Dubai

The competitiveness of Islamic banks in Dubai is significantly impacted by standardization and transparency. Islamic banks must abide by stringent standards and regulations with regard to their product offerings, financial reporting, and disclosure obligations under Dubai's regulatory framework (Al-Jarhi and Iqbal, 2001). The adoption of these standards will increase the financial institutions' transparency and accountability while also assisting in ensuring the stability and credibility of the Islamic banking industry (Jan, Lai and Tahir, 2021).

The adoption of uniform policies and practices will also enhance the comparability of Islamic banks, facilitating customers' decision-making when comparing various financial institutions. A sector will be able to draw in new clients and increase competition among existing players with greater public confidence and greater transparency (Riege and Lindsay, 2006). Standardization and transparency are crucial in determining the market dynamics in the highly competitive Dubai Islamic Banking market. A level playing field is made possible by standardization and varying degrees of transparency, enabling smaller, less established players to compete against bigger, more established ones on an equal footing. Additionally, standardization and transparency can promote accountability and transparency, which can boost market trust, spur competition, and result in more creative and dynamic goods and services (Johnston, 2023).

The competitive landscape for Islamic banks in Dubai and the competitiveness of Islamic banks in Dubai will be greatly impacted by standardization and transparency, which are important factors. These elements contribute to the development of a more lucrative and competitive environment for Islamic banks in Dubai by fostering stability, credibility, and transparency.

2.9 Adoption of Technology and its Impact on Islamic Banking in Dubai

Technology adoption has emerged as a crucial element in the financial sector, including Dubai's Islamic banking sector. Recent technological advancements have changed how financial institutions function and engage with customers, creating new possibilities for growth and innovation. As a result, a crucial aspect of the competitiveness of Islamic banks in Dubai is the adoption of technology (*Role of FinTech Adoption for Competitiveness and Performance of the Bank: A Study of Banking Industry in UAE | SpringerLink*, no date).

A Dubai-based Islamic bank is utilizing technology to enhance customer service, boost productivity, and broaden its product selection. For instance, mobile banking and digital platforms make it simple for customers to access banking services while cutting down on the time and expense associated with providing traditional banking services. In order to work more quickly and efficiently, Islamic banks in Dubai have automated a number of procedures, including loan application and account management (*Apply Auto Finance & Car Finance in UAE | Emirates Islamic*, no date).

Additionally, Islamic banks in Dubai are now able to provide cutting-edge financial services and products like mobile wallets, virtual debit cards, and online investment opportunities thanks to the introduction of technology. Due to these technological advancements, Dubai's Islamic banks are now more competitive and can provide their clients with a wider range of services and a more complete banking experience.

In summary, the introduction of technology will have a significant impact on how competitive Islamic banks are in Dubai. Islamic banks in Dubai must constantly innovate their product offerings and customer experiences in order to stay ahead of technological advancements (*Mashreq Bank continues to take the digital lead in the Gulf | World Finance*, no date).

2.10 Level of Innovation and its Impact on Islamic Banking in Dubai

The level of innovation in Dubai's Islamic banking industry has a big impact on how competitive the industry is. Keeping up with the times in the quickly evolving financial world of today is essential for success. To meet the needs of their customers, Islamic banks in Dubai must be proactive in implementing new technologies and searching constantly for creative solutions (Wilkins, 2019).

Islamic banking innovations can take a variety of shapes, from the adoption of digital technologies to streamline procedures and enhance the customer experience to the launch of brand-new financial goods and services. Islamic banks in Dubai can set themselves apart from their rivals and gain a competitive edge in the market by embracing innovation (Haniffa and Hudaib, 2007).

The principles of Islamic finance must be balanced with innovation, which is important to keep in mind. Making sure that new goods and services adhere to Shariah principles, requires careful thought and planning.

Overall, Dubai's Islamic banking industry's level of innovation plays a significant role in determining the sector's competitiveness and must be carefully managed to ensure that it thrives in an increasingly cutthroat environment.

2.11 Quality of Corporate Governance and its Impact on Islamic Banking in Dubai

The degree of innovation in Dubai's Islamic banking sector has a big impact on the sector's ability to compete. Success depends on being able to keep up with how quickly the financial sector is changing today. Islamic banks in Dubai must actively adopt new technologies and continually look for innovative solutions to meet the needs of their customers (Dubai, no date).

Islamic banking innovation can take many different forms, from the adoption of digital technologies, the streamlining of business operations, and the enhancement of customer service, to the introduction of completely new financial products and services. By embracing innovation, Islamic banks in Dubai can set themselves apart from their rivals and gain a market advantage. Islamic finance's tenets must be balanced with notable innovations. It takes careful thought and planning to make sure that new products and services adhere to Shariah principles (El Qorchi, 2005).

Overall, the level of innovation in Dubai's Islamic banking sector is a critical factor in determining the industry's competitiveness and must be carefully managed to ensure that it thrives in a setting that is becoming more difficult.

2.12 Literature Review Gap

This study aims to close knowledge gaps regarding the Islamic Banking Market's competitive environment in Dubai. The need for a thorough and current analysis of the important factors affecting the competitiveness of Islamic banks in Dubai is one of the top priorities. Previous studies have focused on specific factors such as legal framework, economic conditions, and technology adoption; However, these studies did not investigate the interaction of these factors or how their interaction affects Islam in Dubai. The effect on the competitiveness of banks was not taken into account. Second, how standardization and transparency affect the competitiveness of Islamic banks in Dubai have not been explored as much.

Second, there hasn't been as much study on how standardization and transparency affect the competitiveness of Islamic banks in Dubai. Due to its effect on the level of competition and the recent rise in importance of standardization and transparency in the global financial sector, this is significant. Two other issues that are infrequently examined in research are the effectiveness of corporate governance and how it affects the competitiveness of Islamic banks in Dubai. Since corporate governance is crucial to ensuring the stability and effectiveness of financial institutions, this gap in the literature needs to be filled. By providing a thorough and timely analysis of the competitive landscape of the Islamic banking market in Dubai, this study seeks to close these gaps and supplement the literature.

2.13 Theoretical Framework

The resource-based view (RBV) and the competitive forces model serve as the foundation for this study's theoretical framework (CFM).

2.13.1 Resource-Based View (RBV) Theory

The development of the Resource-Based View RBV strategy to obtain a competitive advantage in the 1980s and 1990s was inspired by a resource-based perspective of the business, enterprise core competencies, enterprise resources, and sustainable competitive advantage. This school of thought contends that businesses should instead turn within to find sources of the competitive edge rather than concentrating on the external competitive environment (D’Souza and Taghian, 2018).

The resource-based viewpoint claims that a firm's capacity to contend successfully relies on a variety of resources and abilities that are challenging for rivals to imitate or duplicate. According to this idea, banks should have unique and important resources and abilities: In the context of Islamic banking in Dubai, they are likely to have a competitive advantage over their rivals due to their strong client connections, state-of-the-art technology, and efficient operations.

2.13.2 Competitive Forces Model (CFM)

Competitiveness models are crucial strategy research instruments used to examine a firm's level of competitiveness. It is well known that Porter's five forces model includes the following five forces: level of competition, risk of potential new competitors, customer and supplier bargaining power, and risk of substitute products and/or services. Competitiveness models also include Porter's sixth force, which is complementary product and/or service provider competencies. The model aids businesses in understanding the dangers associated with the industries in which they operate and how to implement their strategies in reaction to the rivalry (Tallman, Luo and Buckley, 2018).

The competitive environment for businesses is thought to be shaped by five major factors: the threat of new entries, the negotiating power of vendors, the bargaining power of buyers, the threat of alternative products and services, and the level of rivalry. According to the theory, these five variables have an impact on the competitive environment for Islamic banks in Dubai, and these factors must be addressed in order for banks to stay competitive.

2.14 Conclusion

Gaining a thorough understanding of the state of the market today is made possible through literature research on Islamic banks in Dubai and the competitive environment of the Islamic banking sector. The review identifies the critical elements that influence the competitiveness of Islamic banks in Dubai, such as the regulatory framework, the business climate, standardization and transparency, technology adoption, the degree of innovation, and the requirements for corporate governance. These elements are crucial in determining the degree of competition in Dubai's Islamic banking market.

The literature review also reveals knowledge gaps that this study seeks to address. One of these gaps is the dearth of thorough studies looking at how important variables interact with moderator variables to assess the competitiveness of Dubai's Islamic banking market. By filling in these gaps and assisting stakeholders in the industry in making decisions, this study improves our understanding of the competitiveness of the Islamic banking sector. This research examines the resources and abilities that help Islamic banks in Dubai keep their competitive advantage as well as the market variables that affect the Islamic banking industry in Dubai using RBV theory and CFM theory. This research aims to provide a thorough understanding of the competitive dynamics of Islamic banks in Dubai and to identify strategies that can be used by Islamic banks to stay successful in this market by combining these two theories.

The literature review concludes by highlighting the significance of comprehending the Islamic banking market's competitive landscape in Dubai and offering a strong framework for further study. As they demonstrate the level of competition in the Islamic banking sector and its effects on the expansion and development of Dubai's financial sector, the study's findings are useful for both academic and practical purposes.

Chapter 3: Research Methodology

3.1 Introduction

This methodological chapter describes the participants and the study design. It also explains how the case study and interview data were collected and analyzed. Five banking employees who had Islamic banking experience in the United Arab Emirates took part in the survey. Participants were selected based on their expertise and ability to provide meaningful answers to research questions. In addition, this study examines the cases of four major Islamic banks in the UAE. Dubai Islamic Bank, Abu Dhabi Islamic Bank, Noor Bank, and Al Hilal Bank. These banks were chosen because they have long operating histories and are publicly traded.

3.2 Research Design

The research in this study is a mixed method that includes both qualitative and quantitative methods of data collection (Marsland *et al.*, 2000). This mixed methods approach allows for a more comprehensive and detailed understanding of the Islamic banking system in the UAE and provides insight into potential areas for improvement and future research (Pole, 2007). The qualitative part of the study consists of conducting semi-structured interviews with five participants with experience in the Islamic banking sector. These interviews are conducted via video conference and recorded for later transcription. The combination of these two approaches allows for a holistic understanding of individual Islamic banking experiences and the current state of Islamic banking in the UAE (George, 2021).

The quantitative part of the study includes a data analysis of the case studies of four Islamic banks in the UAE: Dubai Islamic Bank, Abu Dhabi Islamic Bank, Noor Bank, and Al Hilal Bank. Information is collected from public sources, including annual reports, financial statements and other relevant documents.

Qualitative data from the interviews provide rich and detailed insights into participants' experiences with Islamic banking, while quantitative data from the case study allows for a broader analysis of the activities and characteristics of the four Islamic banks studied.

The combination of these two approaches will provide a comprehensive understanding of individual Islamic banking experiences and the current state of Islamic banking in the UAE. Qualitative data from the interviews will provide rich and detailed insights into participants' experiences with Islamic banking, while quantitative data from the case study will allow for a broader analysis of the performance and characteristics of the four Islamic banks studied.

3.3 Data Collection

The two main data collection methods of this study were semi-structured interviews and case study analysis.

3.3.1 Semi-Structured Interviews

Semi-structured interviews were conducted with five participants who were selected based on their experience and knowledge of the Islamic banking industry. United Arab Emirates. Interviews were conducted face-to-face or via video conference, depending on the participants' preferences. The interviews were conducted with eight predetermined open-ended questions designed to elicit more information about the participants' experiences with Islamic banking. and their views on industry challenges and opportunities. The questions focused on the compliance of Shariah in the Islamic banking sector, the regulatory environment of the Islamic banking sector in the UAE, and the growth and expansion opportunities of the sector. The material was analyzed using the method of thematic analysis after recording the interviews and their texts. The analysis focused on identifying recurring themes and patterns in the research-required data.

3.3.2 Case Study Analysis

A case study was also conducted to condense information and gain a broader perspective on the Islamic banking sector in the UAE.
The four largest Islamic banks in the United Arab Emirates were named for the case study.
Dubai Islamic Bank, Abu Dhabi Islamic Bank, Noor Bank**,** and Al Hilal Bank are all Islamic banks that were studied in this research.

These banks were chosen because they're listed in the UAE and have a long history.
Case study analysis included a review of World Bank periodic reports, fiscal statements, and other public information, as well as applicable academic and assiduity literature.
The analysis identifies the main trends and challenges facing Islamic banks in the UAE, as well as the strategies and enterprises some banks are pursuing to address these challenges and take advantage of the openings.
Accordingly, the data collection process should affect a comprehensive and in-depth overview of the UAE Islamic banking sector, including the opinions of assiduity experts and in- depth analysis of request-leading banks.

3.4 Data Analysis

Thematic analysis analyzes data from interviews and cases. studies This method identifies and groups themes or patterns in the data into high-level themes. Interviews are transcribed several times and analyzed to identify key themes and patterns of response. These themes are grouped and analyzed to better understand participants' experiences and perceptions of Islamic banking. Case studies collect information from several different sources, e.g. Annual reports, financial statements, and other publicly available information. Analyze selected Islamic banking data to identify key trends and patterns. This analysis sheds light on the functioning and development of these institutions and their impact on the Islamic banking sector as a whole. Overall, the data analysis provides a comprehensive overview of the experiences and perceptions of the participants and the activities of the selected Islamic banks, and their relationships with the wider Islamic banking sector.

3.5 Limitations

Despite all of the efforts put into the design and execution of this study, some limitations must be acknowledged. The first limitation is the small participant sample size. Because only five people were interviewed, she may not represent the entire Islamic banking clientele. Therefore, the results of the study do not apply to all Islamic banking customers in the UAE.

Another limitation is the possibility of social desirability. Participants could give answers that they thought were socially acceptable or good. To combat this bias, interviewers attempted to create a relaxed environment and assured participants that their responses would be kept private.

The possibility of interviewer bias is a third limitation. When the researcher conducted the interview, unconscious biases may have influenced the interpretation of the question or answer. To reduce bias, interviewers tried to be as neutral and objective as possible and used open-ended questions to allow participants to express themselves in their own words. Finally, this study only looked at Islamic banking customers in the UAE, so their experiences elsewhere in the world may differ. Therefore, the results of the study may not apply to other countries or regions where Islamic banking is practiced.

3.6 Conclusion

This chapter covers the study design, participants, data collection, data analysis, and limitations. The study design and the named data collection styles were supposed applicable to the exploration question and pretensions. Study participants were precisely named to represent different perspectives on Islamic banking issues in the UAE. During the data analysis process, the interview responses and case study information were precisely reviewed. Despite the strengths of the study design and data collection system, this study had some limitations. These included small sample sizes, implicit party bias, and access to data applicable to case studies. These limitations may affect the generalizability of our results, but don't abate important study results.

Chapter 4: Results and Discussion

4.1 Introduction

This chapter will present and primarily discuss the results of interviews with individuals who have experience working in Islamic banking. It will also present the results of the case study and discuss both in light of the literature and theoretical framework.

Significantly, the primary objective of these interviews and the case study was to gain an understanding of the challenges, opportunities, and future prospects of Islamic banking in the UAE and the broader region.

4.2 Results

The results of both the interview responses and the case study are presented in this section.

4.2.1 Interview Responses

The interviews provided invaluable insight into the challenges and opportunities of Islamic banking in the UAE and the surrounding region. All of the interviewees were knowledgeable and seasoned in the field, and their responses provided a comprehensive overview of Islamic banking and its distinctive characteristics, which is summarized below.

Table 1: Key Themes and Patterns in the Responses

Theme	Codes	Description
Growth and Development of Islamic Banking	- Expansion of market - Increase in demand for Shariah-compliant services	The entry of more financial companies and greater access to cutting-edge goods and services,

	- Emergence of new institutions - Variety of offerings - Competitiveness	in accordance with the interviewees, have caused a major evolution in Islamic finance in recent years. They also mentioned how rapidly the business has expanded.
Challenges Faced by Islamic Banking	- Lack of qualified professionals - Regulatory environment - Industry-wide standards - Staying profitable while adhering to Shariah law - Customer confusion about Shariah conformance	Islamic finance is hampered by a number of factors, according to respondents. These include a lack of competent applicants, keeping success and revenue while abiding by Islamic law, and a constantly shifting legal landscape.
Unique Features of Islamic Banking	- Equity - Justice - Risk-sharing - Prohibition of interest-based transactions - Shariah Oversight Committee - Specialized services such as Mudarabah accounts, Musharakah funding, and Takaful insurance	The distinctions between Islamic finance and conventional financing were emphasized by the interviewees. They pointed out that unlike Islamic banking, which is built on the principles of fairness, justice, and risk-sharing, conventional banking relies on deals that are not subject to interest. Participants in the interview stressed the significance of Shariah conformance in Islamic banking. They pointed out that Islamic financial organizations

		set up a Shariah Monitoring body that keeps tabs on the procedures and activities to make sure they comply with Shariah law. Interviewees emphasized the benefits of Islamic banking, such as the use of profit-and-loss sharing strategies that strengthen the relationship between the bank and its customers.
Future of Islamic Banking	- Optimism - Bright future - More people turning to Shariah-compliant banking	The interviewees were upbeat about the direction of Islamic banking. They pointed out that more consumers are now selecting goods and services that adhere to Shariah, which is promising for the industry's future.
Factors for Success in Islamic Banking	- Shariah conformance - Creativity - Satisfied customers - Strong brand recognition - Distinct value offering - Dedication to innovation - Effective Shariah administration structure - Focus on the client	Strong brand awareness, a unique value proposition, a commitment to innovation, an efficient Shariah administration structure, innovative problem-solving, as well as a client-centered approach are important for the development as well as success of an Islamic bank, according to respondents.

Overview of Islamic Banking

Each and every one of the responses showed a comprehensive understanding of Islamic finance and how it varies from conventional financing. They stressed that rather than relying on interest-based deals, Islamic banking depends on the principals of justice, impartiality, and risk-sharing. Contrarily, the idea of interest serves as the foundation of traditional banking.

Evolution of Islamic Banking

The number and diversity of goods provided by Islamic financial organizations have considerably increased over time, according to all interviewees, as Islamic banking has developed. It also demonstrates how fiercely competitive the Islamic banking sector has grown in recent years as more and more customers benefit from the Shariah-compliant financial system.

Challenges Faced by Islamic Banking

Some of the issues raised by respondents regarding Islamic institutions included a lack of industry-wide standards, confusion from customers, and a lack of competent personnel. They added that maintaining achievement and financial gain while adhering to Islamic law can be challenging.

Compliance with Shariah Law

The respondent acknowledged that Islamic banks would be held accountable for adhering to his Sharia law by the Sharia Monitoring Council, which keeps an eye on their business dealings. They stressed how the organization makes sure that Islamic banking practices comply with Law.

Unique Features of Islamic Banking

Interviewees mentioned several unique aspects of Islamic banking, such as the use of profit and loss sharing technology that enables banks and clients to share the risks and possible benefits of deals. They also stressed the fact that Islamic financial organizations provide services like takaful insurance, musharaka loans, and mudarava funds that are unavailable from conventional banks.

Future Prospects of Islamic Banking

Regarding the future of Islamic banking in the UAE and the rest of the globe, all respondents voiced confidence. They claimed that as more people transition to Sharia-compliant banking, demand for Sharia-compliant goods and services is rising. They assert that powerful brand awareness, a distinctive value offering, a dedication to innovation, a solid Shariah administration structure, creative problem-solving, and a customer-centric strategy are all essential for Islamic banks to succeed.

Comparison with Conventional Banking

The major distinction between conventional and Islamic banking, according to the respondents, is that the latter is founded on the concept of profit while the former is founded on the principles of justice, equity, and risk sharing. I made it clear that there is Additionally, they claimed that conventional institutions do not provide lucrative Islamic savings accounts, Islamic credit cards, or Islamic housing loans.

4.2.2 Case Study

Four of the top Islamic institutions in the United Arab Emirates are Dubai Islamic Bank (DIB), Abu Dhabi Islamic Bank (ADIB), Noor Bank, and Al Hilal Bank (UAE). These financial institutions provide Sharia-compliant financial goods and services in order to meet the demands of the expanding Muslim community in the UAE and elsewhere. The development of the Islamic banking sector in the UAE and elsewhere has been significantly aided by all four of these Islamic institutions. To meet the changing requirements of their consumers, they have shown a dedication to creativity by creating a variety of cutting-edge Sharia-compliant goods and services. These institutions are expected to take on a bigger part in the worldwide Islamic finance sector as the demand for Sharia-compliant banking keeps rising.

Dubai Islamic Bank (DIB)

With a market share of roughly 33%, Dubai Islamic Bank (DIB) is the biggest Islamic bank in the United Arab Emirates. The United Arab Emirates now boasts over 90 of its sites since it was founded in 1975. In 2021, DIB reported a total profit of AED 5.1 billion (US$1.4 billion), an increase of 3% year over year. The entire assets of DIB were AED 282 billion (US$77 billion) in 2021, an 8% rise from the year before (Mukminin, 2018).

The first Islamic bank in the world, Dubai Islamic Bank (DIB), has helped to advance and advance Islamic banking. The bank's emphasis on Islamic financial ideas and Shariah-compliant goods is what has made it successful in the Islamic financial sector. In recent years, as a result of the proliferation of online and mobile banking choices, DIB has worked hard to automate its operational procedures. The bank has also introduced a number of innovative goods, including the first cryptocurrency in the United Arab Emirates that complies with Islam law (Alrawi and Elkhatib, 2011).

The devotion of Dubai Islamic Bank to Islamic financial ideals has helped Islamic finance spread internationally. An estimated US$2.88 trillion worth of assets make up the worldwide Islamic financial sector, and Islamic banking has grown quickly in recent years. To this growth, DIBs from a number of nations, including Pakistan, Sudan, and Indonesia, have given (Ariss and Sarieddine, 2007).

Absence of an understanding of Islamic financial rules and principles, the need to unify Sharia-compliant goods, and the lack of business possibilities are just a few of the issues that Islamic institutions confront. Through its efforts to teach its customers and broaden their understanding of the concepts of Islamic banking, DIB has tried to address these issues. Additionally, both conventional and Islamic financial organizations fiercely compete with Dubai Islamic Bank (DIB) in the UAE's financial sector. Additionally, banks find it difficult to adhere to laws, particularly the Anti-Money Laundering Act (AML) and the Anti-Terrorist Funding Act (TF). The gathering or receiving of interest is prohibited by the Sharia-compliant financial solutions provided by Dubai Islamic Bank (DIB), which are well-known. Except for the United States, the United Nations has been in charge of the globe since 1945. Additionally, DIB is renowned for its cutting-edge goods and services that satisfy the numerous needs of its clients (Bose, 2020).

The financial outlook for Dubai Islamic Bank (DIB) is positive, and it is anticipated that the bank will keep growing both locally and globally. Banks are anticipated to prioritize digital change as more cutting-edge financial solutions are introduced. The intention for financial services that adhere to Shariah is anticipated to increase, and this is expected to have a major effect on the growth and development of the Islamic banking sector (Bose, 2020).

A thorough understanding of Islamic finance's laws and principles, a dedication to justice and transparency, and a strong emphasis on customer service are necessary for successful Islamic banking. The creation of innovative products and flexibility in response to shifting market circumstances are also crucial in the Islamic banking sector. These accomplishments of DIB are exemplified by its ongoing growth and extension in the Islamic banking industry. Many factors contribute to Dubai Islamic Bank's (DIB) success, including its Sharia-compliant financial operations, customer-centric business model, and emphasis on cutting-edge goods and services. The bank's prosperity was also aided by efficient company management and risk management practices. The dedication of DIB to digital change is another important factor influencing the organization's future success (Wanjala, 2020).

Abu Dhabi Islamic Bank (ADIB)

Based in Abu Dhabi, United Arab Emirates, Abu Dhabi Islamic Bank (ADIB) is a well-known Islamic financial institution. Since its founding in 1997, ADIB has expanded quickly and made a name for itself as a significant player in the Islamic banking industry. With a market share of roughly 14%, Abu Dhabi Islamic Bank (ADIB) is the second-largest Islamic bank in the United Arab Emirates. With more than 30 sites in the United Arab Emirates, it was established in 1997. AED 1.6 billion ($436 million) in total earnings was recorded by ADIB in 2021. In comparison to the prior year, this is a triple rise. In 2021, ADIB's total assets increased 1% year over year to AED 128 billion (US$35 billion) (Ashira, 2021).

Recent years have seen a substantial increase in ADIB's investments and clientele. The bank's overall assets were AED 133 billion ($36 billion) as of December 2021. A few of the Shariah-compatible services and goods provided by ADIB include retail banking, business banking, and industrial banking. The bank is well recognized in the UAE with more than 2 million clients and more than 80 sites throughout the nation. Along with growing its activities abroad, ADIB now has a presence in numerous other nations, including Egypt, Saudi Arabia, and the United Kingdom.

ADIB has faced a number of difficulties in spite of its growth and achievement, including Regulatory changes, local economic volatility, and increased rivalry between conventional banks and other Islamic institutions that offer Islamic-convenient services (Hazime, 2011).

ADIB's dedication to creativity and digital change is one of its distinguishing traits. Businesses have invested a lot in technology to enhance client support and streamline procedures. For instance, ADIB is the first bank in the UAE to offer its clients a fully digital enrollment procedure, enabling customers to open accounts online without visiting a physical location. To make banking simpler for consumers, ADIB has also introduced numerous of smartphone banking features, including digital money and biometric identification (de Anca, 2016).

As banks increase their expenditures in digital change and broaden their product offerings, the future of ADIB appears promising. Furthermore, the UAE government's emphasis on promoting Islamic banking is anticipated to encourage further growth of the sector and present ADIB with the chance to extend its activities (Kayed, 2012).

One of the key elements in ADIB's success is its steadfast dedication to banking practices that are compatible with Shariah. The bank has built a solid reputation as a respectable and trustworthy financial company in the area by adhering to these principles. Additionally, ADIB has been able to remain one step ahead of its rivals and satisfy the changing requirements of its clients due to our emphasis on innovation and digital change. Other contributing elements include the bank's efficient corporate responsibility system and qualified management group (Kayed, 2012).

Noor Bank

Noor Bank was established in 2008 and was purchased by DIB in 2020. It complies fully with Islamic law. With a pre-acquisition market share of roughly 1.5%, Noor Bank was the ninth-largest bank in the United Arab Emirates. In contrast to its net profit of AED 212 million (US$58 million) in 2018, Noor Bank reported a net loss of AED 267 million (US$73 million) in 2019. Noor Bank's overall assets in 2019 were AED 41 billion (US$11 billion), a fifth decrease from the year before (Bose, 2020). The country's growth and development of Islamic banking have been actively supported by banks. The United Arab Emirates Islamic banking industry has grown as a result of Noor Bank's greater influence there (Jalloul, 2021).

Ever since its founding, Noor Bank has expanded consistently. In addition to spending in technology to improve its digital skills, the bank extended its activities by establishing new branches in the United Arab Emirates. The bank announced in 2017 that it has planned to invest 500 million AED in digital innovation over the following three years. Additionally, it declared a merger with Dubai Islamic Bank (DIB), a company headquartered in Dubai, in 2019. The merger took place in 2020. The merger has improved Noor Bank's market standing and given it access to a bigger client base (Jalloul, 2021).

Like other Religious organizations, Noor Bank has issues with financial administration and accountability. Customers might be hesitant to take goods and services that adhere to Shariah because the concept of Islamic finance is still relatively new. In the United Arab Emirates, other conventional and Religious organizations are a significant source of financial rivalry (Ahmed and Ali, 2020).

Noor Bank is renowned for its innovative and client-focused methods. Banks provide a variety of financial goods and services that are in compliance with Islam in order to satisfy the requirements of individuals, companies, and organizations. The unique selling points of Noor Bank include favored banking services, which offer wealthy people individualized banking solutions, and mobile banking software, which enables users to access various banking services from their mobile phones (Ahmed and Ali, 2020).

Noor Bank is now well-positioned for long-term growth as a result of the merging with DIB. Banks should benefit from DIB's broad network and client base. Additionally, as more consumers switch to digital banking systems, a bank's emphasis on digital innovation may pay off. Noor Bank must concentrate on offering outstanding customer service and continuously inventing to meet shifting customer demands if it is to thrive in the competitive banking industry. To guarantee the security and purity of their activities, banks must also carefully stick to laws and risk management practices (Barauskaite and Streimikiene, 2021).

Al Hilal Bank

Al Hilal Bank, an Islamic banking organization with its main office in Abu Dhabi, United Arab Emirates, was established in 2008. The bank provides both private and business clients in the UAE and elsewhere with a broad variety of financial services and goods that comply with Shariah. Let's speak about the growth and development, obstacles, quirks, future, and success factors of Al Hilal Bank in this context (Analytica, 2019). It will combine forces with the non-Islamic Abu Dhabi Commercial Bank (ADCB) in 2021. Al Hilal Bank was the 16th biggest bank in the UAE before the merging, with a market share of roughly 0.7%. According to Al Hilal Bank, its total earnings in 2018 were AED 204 million (US$56 million), up 27% from the prior year. The overall assets of Al Hilal Bank were AED 28 billion (USD 8 billion) in 2019, an 11% rise from the previous year (Yablonovskaya, 2020).

Al Hilal Bank has developed since its inception. In addition to increasing its market share in the United Arab Emirates, the bank has developed a strong name for providing cutting-edge services and goods that adhere to Islam. Additionally, the bank is strengthening its standing in international areas like Sudan and Kazakhstan (Kammer *et al.*, 2015).

One of the greatest issues Al Hilal Bank currently has is the fierce rivalry in the Islamic banking sector. To set itself apart from other Islamic banks in the UAE and the area, Al Hilal Bank must continuously develop new goods and services for its clients. Banks must adopt digital banking choices and remain digitally current in order to satisfy shifting consumer demands (Kammer *et al.*, 2015).

Customers of Al Hilal Bank have access to a variety of modern, Shariah-compliant goods and services. One of the company's main differentiators is its capacity to offer a smooth client experience. For instance, the bank just released Mobile Banking applications, which enables users to examine their accounts, make transactions, and send money while on the go. The bank has also made a number of Islamic-compliant, ethical financial choices accessible (Alam, Gupta and Zameni, 2019).

Al Hilal Bank is in a good case to grow its impact in the United Arab Emirates because it already has a solid name there. In the upcoming years, Al Hilal Bank is anticipated to undergo substantial growth as a result of the rising demand for financial products that adhere to Islamic principles. In order to give clients a smooth banking experience, banks are also anticipated to concentrate on incorporating cutting-edge technological solutions (Jalloul, 2021).

One of Al Hilal Bank's main success factors is its dedication to offering its clients cutting-edge, Sharia-compliant financial choices. The success of the bank also depends heavily on putting a strong emphasis on client happiness and utilizing cutting-edge technological solutions. Additionally, our success is greatly influenced by our capacity to draw in and keep top personnel (Jan, Lai and Tahir, 2021).

4.3 Discussion

4.3.1 Thematic Analysis

The results of the thematic analysis of the four conversations with people involved in Islamic banking shed light on some significant issues and difficulties the sector is currently experiencing. In general, it appears that the Islamic banking industry has advanced and grown significantly in recent years, especially in terms of the volume and diversity of customer products. The desire for Shariah-compliant financial services is also rising, and more people are starting to understand the benefits of financing in line with Islamic law.

One of the major difficulties confronting Islamic finance is the need to debunk misconceptions and disinformation about Shariah conformance and to teach customers about the advantages of

Islamic finance. This implies that there is still a dearth of knowledge about Islamic banking and the guiding principles that underpin it, which may be impeding its development and adoption.

The industry's struggle to find qualified individuals with knowledge of Islamic finance and Shariah law is another major issue. This emphasizes the necessity of funding education and training initiatives to guarantee that there are sufficient numbers of professionals available to satisfy the rising demand for Islamic financial services.

Furthermore, it is evident that the Islamic banking industry requires stricter control and monitoring. The significance of Shariah Monitoring Committees and Control Boards in assuring that Islamic financial organizations follow Shariah law and uphold high ethical standards was brought up by many respondents. However, it is also clear that companies in the industry may find it difficult to navigate the complicated regulation climate.

It is intriguing to note that every respondent stressed the value of ingenuity and invention in the success of Islamic banking organizations. This indicates that ongoing spending on research and development is necessary to maintain the industry's competitiveness and satisfy the changing demands of customers.

The results show that while the Islamic banking industry has made substantial progress, there are still issues that must be resolved if the sector is to keep expanding and prospering. The Islamic banking industry can keep growing and provide worthwhile services to customers by making investments in legislation, innovation, and education and training.

The results of the interviews are consistent with the body of knowledge that already exists on Islamic banking, especially when it comes to the distinctive characteristics of Islamic banking, adherence to Shariah law, and the difficulties that Islamic banking must overcome. The respondents also brought up the extension and evolution of Islamic finance, which is consistent with the body of writing on the subject. The respondents' confidence about the future of Islamic finance is aligned with the literature on the industry's development potential.

Agency theory and stakeholder theory are the main ideas that can be used to explain these results. The Shariah Oversight Committee's oversight of Islamic financial organizations' operations and deals to ensure they adhere to Shariah law is explained by agency theory. Understanding how Islamic banks emphasize the interests of their stakeholders, such as clients, workers, stockholders, and the general public, requires knowledge of stakeholder theory.

The answers to the study queries and theories are included in the results. The motifs and codes found shed light on the main elements that make Islamic banks in Dubai competitive, how these elements differ between various Islamic banks and the general competitive environment of the Islamic banking industry in Dubai. The outcomes also lend credence to the conceptual framework's assumptions, which stress the significance of the legal environment, technology usage, innovation, and corporate governance for the success of Islamic institutions in Dubai.

4.3.2 Case Study Discussion

The four major Islamic banks in the United Arab Emirates are also covered in this case study: the Abu Dhabi Islamic Bank (ADIB), the Noor Bank, and the Al Hilal Bank. These financial institutions provide Sharia-compliant financial goods and services in order to meet the demands of the expanding Muslim community in the UAE and elsewhere. With a market share of about 33%, DIB is the biggest Islamic bank in the United Arab Emirates. It was founded in 1975 and has contributed significantly to the expansion and advancement of Islamic finance. With a market share of roughly 14%, ADIB ranks as the second-largest Islamic bank in the UAE. It was founded in 1997 and has expanded quickly to take a leading position in the Islamic finance sector. Leading Islamic institutions in the UAE also include Noor Bank and Al Hilal Bank. To meet the changing requirements of their clients, these institutions have shown a dedication to creativity by creating a variety of cutting-edge Sharia-compliant goods and services. As the demand for Sharia-compliant banking keeps rising, these institutions are expected to play a bigger part in the worldwide Islamic finance sector.

The Resource-Based View (RBV) and Competitive Forces Model (CFM) models can be used to connect the talk of the top four Islamic institutions in the United Arab Emirates. Whereas the economic edge of Islamic institutions in the United Arab Emirates can be examined using the RBV and CFM models. The CFM framework places more emphasis on the exterior world as the primary predictor of an economic advantage than the RBV framework does on internal resources and skills. RBV emphasizes that an organization's internal assets and skills are its main source of long-term economic edge (Baek and Kim, 2014). The Sharia-compliant financial services and goods offered by Islamic banks in the UAE, along with their dedication to innovation, can be seen as internal resources that give them a competitive edge in the Islamic finance sector. For instance, the fact that DIB was founded in 1975 and played a major part in the expansion and development of Islamic banking in the UAE can be viewed as a useful resource that gives it an edge over its rivals.

However, the CFM theory stresses that a firm's economic edge is primarily determined by its exterior surroundings (Beugelsdijk, 2007). The increasing Muslim population in the UAE and elsewhere is an exterior element that has increased demand for financial services and goods that adhere to Sharia law in the case of the Islamic institutions in the UAE. The rise of several Islamic banks, including ADIB, Noor Bank, and Al Hilal Bank, is proof that this has boosted rivalry in the Islamic banking sector. The CFM paradigm can assist in explaining the tactics used by these institutions to obtain a competitive edge in the market. One of the five competing factors outlined by the CFM framework is the danger posed by new market players, so their dedication to innovation, for example, can be seen as a reaction to this threat.

4.4 Conclusion

The research looked at the competitive environment for Islamic banking in Dubai and pinpointed the main elements that affect how successful Islamic banks are. The research revealed that among the key factors influencing success are the expansion and development of Islamic finance, adherence to Shariah law, and distinctive characteristics like fairness, justice, and risk-sharing. The absence of industry-wide standards, client uncertainty, and a dearth of qualified experts are just a few of the difficulties, though.

The case study also offered an analysis of the Islamic banking industry's competitive environment in Dubai, with a special emphasis on the country's top four Islamic institutions. According to the research, there are a number of important elements that support Islamic banks' ability to compete, including adherence to Shariah law, special elements like equity and risk-sharing, and the expansion and advancement of Islamic banking. The research also identifies some of the difficulties the sector is currently facing, including the absence of industry-wide standards, consumer uncertainty, and a dearth of qualified experts.

The research makes the recommendation that more research be done to examine the effects of innovation and technology on the viability of Islamic institutions in Dubai and the surrounding area. Future studies are advised to look into how regulation structures and norms aid in the expansion and advancement of Islamic finance.

Closing views on the future of Islamic banking in the UAE and the region suggest that the industry has a promising future as more people choose Islamic banking and the demand for Shariah-compliant services rises. Islamic banks must be able to establish a strong brand identity, provide distinctive value, and continue to be committed to innovation and efficient Shariah governance systems if they are to succeed. The study's overall findings emphasize the need for ongoing research and development to guarantee the success and expansion of Islamic finance in the UAE and the rest of the area.

Chapter 5: Conclusion

5.1 Main Findings

This research sought to investigate the competitive environment of Islamic banking in Dubai, the main elements that boost Islamic banks' competitiveness, and the variations in these elements between various Islamic banks.

This research examined the competitive environment of Islamic banking in Dubai, the variables adding to the competitiveness of Islamic banks, and how these factors change among various Islamic banks. The following significant results were revealed through detailed conversations with seven specialists in the field of Islamic banking:

Islamic finance is not founded on interest-based deals, but rather on fairness, justice, and risk-sharing.

With a rise in the quantity and diversity of products offered by Islamic financial institutions, the Islamic banking industry has developed.

Islamic banking faces a number of difficulties, including the absence of industry-wide norms, client misunderstanding, and a dearth of qualified personnel. Maintaining success and profitability while abiding by Islamic rules can be difficult.

A Shariah Monitoring Council used by Islamic institutions makes sure that Shariah legislation is followed.

The use of profit-and-loss sharing techniques, the emphasis on client happiness, and specialty services like Mudarabah funds, Musharakah financing, and Takaful insurance are all distinctive characteristics of Islamic banking.

With more individuals switching to Shariah-compliant banking and a rising demand for Shariah-compliant products and services, the future of Islamic banking in the UAE and the rest of the area looks very promising.

5.2 Hypothesis Revaluation

All three hypotheses are supported by the study's findings:

According to Hypothesis 1, the primary factors enhancing the viability of Islamic banks in Dubai have a positive effect on the market's competitive climate for Islamic banking. According to the research, among the key factors influencing success are the expansion and development of Islamic banking, adherence to Shariah law, and distinctive characteristics like fairness, justice, and risk-sharing. These elements benefit the general competitive climate of the market for Islamic banking in Dubai as well as the performance of specific Islamic institutions.

According to hypothesis 2, the key factors that contribute to the viability of Islamic banks in Dubai are positively impacted by the legal environment, economic environment, and level of uniformity and transparency in the Islamic banking industry. The research showed that the Shariah Monitoring Council plays a vital role in assuring conformance with Shariah law, and that the absence of industry-wide norms is a problem for Islamic finance. The report also emphasizes the importance of ongoing research and development to maintain the expansion and prosperity of Islamic finance in the UAE and the rest of the area. These results lend credence to the idea that the development and success of Islamic finance depend on a helpful legal climate, prosperous economic circumstances, and efficient uniformity.

According to hypothesis 3, the three main factors that have the greatest beneficial effects on the viability of Islamic institutions in Dubai are the degree of innovation, the implementation of new technology, and the standard of corporate governance. According to the research, adopting cutting-edge technologies and sound corporate governance procedures is essential for achieving lasting development and maintaining viability. The report also urges further investigation into how innovation and technology affect Islamic institutions' ability to compete in Dubai and the surrounding area. These results lend credence to the notion that creativity, technical developments, and good corporate governance are essential components for the success of Islamic institutions in Dubai.

5.3 Research Aims and Questions Revaluation

The findings of this study provide answers to the research questions as follows:

1. What is the competitive landscape of the Islamic banking market in Dubai?

According to the research, the quantity and diversity of products offered by Islamic financial institutions are expanding, increasing the level of competition in Dubai's Islamic banking industry. The demand for products and services that adhere to Shariah is also rising, pointing to a promising future for the industry.

2. What are the key factors that contribute to the competitiveness of Islamic banks in Dubai?

The research uncovered a number of important elements that support the viability of Islamic institutions in Dubai. These include adhering to Shariah law, expanding and developing Islamic banking, equity, justice, and risk-sharing, using profit-and-loss sharing techniques, offering specialized services like Mudarabah accounts, Musharakah funding, and Takaful insurance, and putting an emphasis on client satisfaction.

3. How do these factors vary among different Islamic banks in Dubai?

The research discovered that the essential elements were distinct among the various Islamic institutions in Dubai. Although all Islamic banks follow the same Shariah law principles, there may be differences in their products and business models, which can affect how successful they are. The research also discovered that a variety of variables, including legislative regimes, fiscal conditions, uniformity, innovation, and corporate governance practices, affect the viability of Islamic institutions in Dubai.

5.4 Results Implications

The results of this research have significant ramifications for the Islamic finance industry in the United Arab Emirates and the rest of the area. To guarantee the long-term success of Islamic finance, it is first necessary to handle the absence of industry-wide norms and the demand for qualified experts. Second, to stay relevant in an expanding market, Islamic financial institutions must concentrate on keeping high levels of client satisfaction. Lastly, in order to draw in more clients, the distinctive aspects of Islamic banking—such as the use of profit-and-loss pooling procedures and specialty services—should be further pushed. To retain viability and attain lasting development, new technologies and sound corporate governance practices must be adopted.

Furthermore, the results of this research have several ramifications for Islamic finance in the UAE and the rest of the area:

First, industry-wide norms must be created in order to increase the viability of Islamic institutions. These requirements would equalize the playing field for all Islamic banking organizations and promote consumer confidence.

Second, Islamic institutions should prioritize teaching and educating their staff in order to grow their human resources. This will guarantee that Islamic institutions continue to be lucrative while upholding Shariah law and assist in addressing the lack of qualified workers.

Thirdly, Islamic banks should keep up with technological advancements and set themselves apart from traditional banks by providing unique services. They should also concentrate on increasing brand awareness and providing their customers with a unique value proposition.

Fourth, Islamic institutions should use technology to expand their product lines and increase client satisfaction. To make it simpler for consumers to obtain their services, they should engage in digital platforms like smartphone banking and internet banking.

In order to ensure that their activities are compliant with Shariah law and that they fulfill regulation standards, Islamic banks should also closely collaborate with authorities. Customers' faith and confidence will increase as a result, and this will also help to guarantee the long-term viability of the Islamic banking industry in the UAE and the rest of the area.

5.5 Limitations

There are some limitations to this research. First of all, there were only four specialists questioned, so the sample size was tiny. Second, because the research only looked at Dubai, its conclusions might not apply to other towns or nations. Last but not least, the study was carried out using a qualitative methodology, and subsequent research could use a quantitative methodology to verify these results.

5.6 Recommendations

The following suggestions should be addressed in future research in light of the constraints of this study:

Perform larger-scale research to gain a deeper understanding of the Islamic banking industry's competitive environment in the UAE and the broader area.
To acquire a wider variety of viewpoints, broaden the study's scope to include additional towns or nations.

Using a mixed-methods strategy to obtain a deeper grasp of the critical elements that add to the success of Islamic institutions and to verify the qualitative results of this research.
Examine how new technologies, such as bitcoin and artificial intelligence, will affect the Islamic finance industry in the UAE and the rest of the area.

The main elements that add to Islamic banks' competitiveness, as well as the ways in which these elements differ between various Islamic banks, are discussed in this study's conclusion as useful insights into the competitive environment of Islamic banking in Dubai. Future research should strive to expand on these results in order to achieve lasting development and retain viability in a market that is quickly changing, as the study's findings have significant ramifications for the future of Islamic finance in the UAE and the broader area.

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Appendix

Interview Questions

1. Could you inform me about Islamic banking and what you know about it?
2. How has the business of Islamic banking changed over time?
3. What problems have you faced in your work in Islamic banking?
4. How is Islamic banking different from other banking?
5. How do Islamic banks ensure compliance with Sharia law?
6. Can you tell us about any Islamic banking features or products that no other bank has?
7. How do you see Islamic banking developing in the UAE and the rest of the region?
8. What do you think are the most important things that make an Islamic bank successful?

Thank you!

Interview Responses Summary

Interviewee	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8
Person 1	After 10 years, I can say that I am now an expert in the field of Islamic finance. I've had many positions including being a relations manager, credit researcher, and office manager which are only some of the titles I've held formerly.	In my opinion, I can say that there has been a lot of progress in the Islamic finance sector over the past decade. The Islamic financial organizations' quantity and variety and offerings have expanded dramatically in recent years especially here in Dubai. More people are now preferring to deal with such banking systems.	Dispelling myths about Shariah conformance and informing clients about the advantages of Islamic finance are among the two greatest challenges I have faced and I continuously have to face.	To differentiate between the other banking systems and the Islamic banking system, it can be simply stated that the traditional banking is usually founded on interest-based deals, whereas Islamic banking is built on concepts of equity, justice, and risk-sharing.	In order to guarantee that Islamic banking practices are consistent with Shariah law, Islamic financial institutions usually establishes a Shariah Oversight board that monitors the processes and transaction.	Traditional banks don't typically give Islamic goods like Islamic credit cards, Islamic mortgages, and Islamic profit-sharing investment accounts…	I think the future of Islamic banking in the UAE and the wider region is bright, with more people turning to Shariah-compliant banking especially in our region.	Islamic conformance, creativity, and satisfied customers are all crucial to the success of an Islamic bank.
Person 2	This year will mark my fifth year working in Islamic finance. Prior occupations of mine include those of Financial Researcher and	According to what ive been noticing there is an increase in demand for Shariah-compliant services more than ever.	Lack of industry-wide standards – implies customer confusion	traditional banking is based interest-based transactions Islamic banks rely	Shariah Supervisory Committees monitor Islamic institutions	Mudarabah accounts, Musharakah funding, and Takaful insurance are just a few of the specialized services	Plenty of people are now into the advantages of banking in accordance with Shariah, so I'm optimistic about the future of Islamic banking in the United Arab	The success of the Islamic baking systems require: - Strong brand recognition

	Relationship Manager.	the Islamic banking sector has developed rapidly in recent years which has made its current market highly competitive.		on risk-sharing.		provided by Islamic institutions..	Emirates and the broader area.	- Distinct value offering, - Dedication to innovation
Person 3	My career in Islamic finance spans 15 years. I have held several management positions before, including: Director Of operations Finance Manager, and Office Manager.	Now, more banks and financial organizations join the market and more consumers choose Shariah-compliant goods and services.	Conventional banking is founded on interest concepts On the other hand, Islamic banking is built on concepts of equity, justice, and risk-sharing and not interest based. Islamic law.	A main obstacle I encounter is staying profitable and successful while adhering to the laws of shariah	Oversight Committee	Shariah-compliant assets, Islamic insurance, and Sukuk notes are just some of the special offerings available from Islamic institutions.	As more people in the United Arab Emirates and the rest of the area learn about the advantages of financing in accordance with Shariah law, I have high hopes for the future of Islamic finance there.	An effective Shariah administration structure, creative problem solving, and a focus on the client are all crucial to the growth and prosperity of an Islamic bank.
Person 4	I have been in Islamic finance for well over a decade. In the history, I've worked in a number of departments within Islamic institutions, similar as customer support,	The development of the Islamic finance sector over the past few years has been remarkable. New companies have entered the market, and there has been	One of the biggest challenges we face in the Islamic banking industry is the shortage of skilled professionals. As the industry grows, there	Interest-based deals are forbidden in Islamic finance because they go against its underlying social principles. Islamic	Shariah boards, made up of Islamic law and finance specialists, are present in Islamic fiscal institutions. These guarantee that the	Islamic finance is distinct in several ways, one of which is its emphasis on profit- and-loss pooling arrangements like musharakah and	For what it's worth, I see great eventuality in Islamic banking's near future. I suppose the business will continue to expand as it has in recent times. As the need for Shariah-biddable goods and services grows, I anticipate new entrants to the	I believe that an Islamic bank's capability to retain and keep talented professionals, as well as its respect for honest geste , innovative product immolations,

	administration, and threat operation. I've a thorough appreciation of the foundations of Islamic finance as well as its distinctive characteristics as a result of my expansive moxie in the field.	an increase in the availability of cutting-edge goods and services. Both risk management and Islamic law conformance have evolved alongside the business. I think Islamic finance is becoming more popular and more widely accepted among consumers. The lack of qualified individuals is one of our greatest obstacles in Islamic finance. There is a growing demand for experts in Islamic banking and Shariah law as the sector expands. Constant shifts in the legal landscape can add another layer of	is a need for more people who are well-versed in Islamic finance and Shariah law. Another challenge is the regulatory environment, which is constantly changing and can be complex to navigate.	banks, on the other hand, use profit-and-loss sharing methods in which both the bank and the client bear some of the investment's risks and potential benefits. With this change, the bank's connection with its clients becomes more mutually beneficial.	bank's processes are in agreement with Shariah law and offer advice on all areas of Islamic finance. They also reviews and authorizes any new goods or services offered by the bank and monitors the bank's means to insure they cleave to Islamic law.	mudarabah. guests can get a piece of the action and a cut of the earnings by subscribing one of these contracts and having the bank spend on their behalf. Murabaha, ijara, and takaful are just a many of the fresh goods that Islamic institutions give, all of which cleave to the shariah.	request and the preface of ground-breaking inventions. .	and sound threat operation practices, are the most important factors in its success. furnishing excellent client service is also essential, as Islamic institutions must establish secure, open hookups with their guests.

		complexity to doing business.						