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الرقمية DIGITAL

# DUBAI'S ROADMAP TO BECOMING THE DIGITAL ECONOMY CAPITAL OF THE WORLD

AN OVERVIEW ON HOW THE GOVERNMENT OF DUBAI IS TAKING AIM AT BECOMING A LEADER IN EVERYTHING FROM BLOCKCHAIN TO ARTIFICIAL INTELLIGENCE, CRYPTOCURRENCY, DIGITAL ASSETS AND THE METAVERSE. HERE'S HOW DUBAI PLANS ON GROWING A DIGITAL ECONOMY WORTH OVER US \$140 BILLION BY 2031, AND ATTRACTING MORE CODERS PER CAPITA THAN ANY OTHER CITY ON EARTH.

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# EDITOR'S NOTE



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Dubai has always been a forward-looking city. It wouldn't be where it is today, without that bold ambition and ability to execute on its vision. Though Dubai first began appearing as a small trading outpost on several maps that can be traced back to 1799, it wasn't officially established until 1833 when Sheikh Maktoum bin Butti Al Maktoum became its' first leader – some 189 years ago. And it has only really been in the last 50 years that the city has become the modern metropolis that it is today. In this short span of time, Dubai has become the 4<sup>th</sup> most visited city in the world, trailing behind Bangkok, London and Paris, and ahead of heavy-weights like New York – all cities that have significantly longer histories – anywhere from 500 to 2000 years behind them.

Even more formidable perhaps, is that tourists spend more on average per day in the city of Dubai, than tourists spend on average in New York and Paris combined. It speaks to both the quality and breadth of experiences on offer in Dubai – from high-end restaurants with celebrity chefs, to the luxury shopping and modern amenities, thrill-seeking adventures on tap like skydiving over the Palm Jumeirah and kite surfing across its many beaches, to the plethora of wellness activities, spas and resorts on-hand to cater to every need. It is exactly that which attracts tourists from around the world, that is also

serving to attract the world's top (tech) talent to relocate here to Dubai and call it home; and this has been one of Dubai's many strategic advantages to develop its digital economy.

As Dubai looks to future-proof its city again, it won't come as a surprise that developing a leading digital economy is central to its strategy. Digitalization has been the name of the game for some time now, illustrated by the fact that the largest and most dominant companies in the world today are all tech companies contributing to the digital economy. As the world's top cities and economies all look to develop their tech industries in order to ensure future economic dominance, there are a few fundamental requirements. First and foremost, is the ability to attract and retain top tech talent, which requires a high quality of life offered by the city, an ease to doing business, strong economic drivers and career opportunities, and a burgeoning tech ecosystem with access to capital.

The more robust the existing digital economy, begets a greater digital economy of the future – as the best attracts the best. Digital leadership is nothing new to the country, or to Dubai – as the country is among the top 10 most digitally competitive economies in the world as of 2021 – and has been in the top quartile of every major ranking in the past five years. Dubai has set its sights to become a global capital of

the digital economy. The city aims to attract 300 new digital start-ups to Dubai by the end of 2023, and has even restructured the Dubai Chamber of Commerce to spin-off a Digital Economy Chamber to specifically take care of this important stakeholder group. The UAE attracted US \$1.2 billion in start-up funding in 2021, second only to Israeli start-ups in the MENA region which raised a record-setting \$13.1 billion last year. Saudi trails behind in third place, having raised \$533 million. Dubai start-ups accounts for 77% of all funding raised in the UAE, showcasing its dominance as a start-up hub.

As Dubai has shown the world its resilience through the global pandemic, remaining mostly open while much of the world closed its borders – Dubai has attracted tourists as well as digital nomads, entrepreneurs and investors to the seaside commercial capital. As the Russia-Ukraine conflict escalated, Dubai has benefited from thousands of STEM graduates and 'techies' relocating to Dubai from these areas. Amidst this period, Dubai has also set-out policies to ease visa restrictions, expedite company registration, and laid-out strategies to become the world's capital, not just for the digital economy as a whole, but specific segments of it such as blockchain, crypto and metaverse. It is, quite frankly, Dubai's leadership position to lose.





# FOREWORD

The UAE is entering a new growth era where the digital economy will play a pivotal role in creating opportunities based on knowledge and innovation to achieve unprecedented growth across a wide range of industries.

New strategic initiatives are being put into place to increase the digital economy's contribution to the GDP from 9.7% to 19.4% by 2030.

Dubai is playing a major role in moving the UAE's digital economy forward by embracing, advocating and pioneering innovative concepts and technologies including the Metaverse, Web3, blockchain, artificial intelligence, and digital assets.

The establishment of the Dubai Digital Authority and the adoption of new laws regulating the use of data are vital developments boosting the Emirate's reputation as a preferred hub for digital companies.





With its advanced technological infrastructure, smart city solutions, high internet and smartphone penetration and most importantly an agile government committed to enhancing competitiveness, Dubai has everything it needs to become the next Silicon Valley.

Moreover, the new incentives like the long-term residency visas for investors and entrepreneurs or remote working visas are further cementing the Emirate's value proposition for digital economy companies and startups.

Since its establishment in 2021, Dubai Chamber of Digital Economy has played an active role in attracting digital companies, promising startups, scaleups, unicorns and specialized talent to Dubai.

This in-depth report is a valuable resource that will support us in our mission. It offers a wealth of practical information about Dubai's fast-growing digital economy and competitive advantages on offer. I encourage you to further explore the exciting growth opportunities emerging in this dynamic market.



**His Excellency Omar Sultan Al Olama**

Minister of State for Artificial Intelligence, Digital Economy and Remote Work Applications  
Chairman of Dubai Chamber of Digital Economy



# THE RISE OF DIGITAL ECONOMIES

For the past two to three decades in particular, the world has witnessed a changing economic landscape; one that has shifted from heavy industry and manufacturing companies to technology and digital companies. The Digital Economy is defined as all economic activity that is reliant on or significantly enhanced by digital inputs, which can come in the form of technology, data, and/or infrastructure; thus, the economy of the future will not only rely on traditional activities such as tourism, manufacturing, energy and real estate, but will also rely increasingly on digital activities.





## THE DIGITAL REVOLUTION

The digital revolution that is currently underway is the next economic shift the world is undergoing. Like the agricultural revolution and the industrial revolution in the past, the digital revolution will bring significant economic, social and environmental impacts; some of these trends are only now just beginning to emerge.

The agricultural revolution which came 12,000 years ago had a profound impact on our lifestyle and way of life; it transitioned us from a nomadic hunter-gatherer lifestyle into a more sedentary existence, where we grew our own crops in one place, all-year around. Then, the industrial revolution that came 250 years ago played a significant role in urbanizing the world, as farmers became industrialists and moved from

farmlands to urban cities, concentrating populations to live the city-life. Today, we are starting to see the impacts of our growing global knowledge-based and digital economies.

A few taps on a smartphone these days and we've booked our next ride, ordered dry-cleaning or a laundry pick-up, scheduled our maid service, shopped for our groceries or paid any number of monthly utility bills. Increased levels of digitalization are allowing many individuals working in the digital economy to work from anywhere in the world; and this too is flipping the script on how and where this next generation will choose to live – causing cities and economies to rethink their competitiveness in attracting top talent.

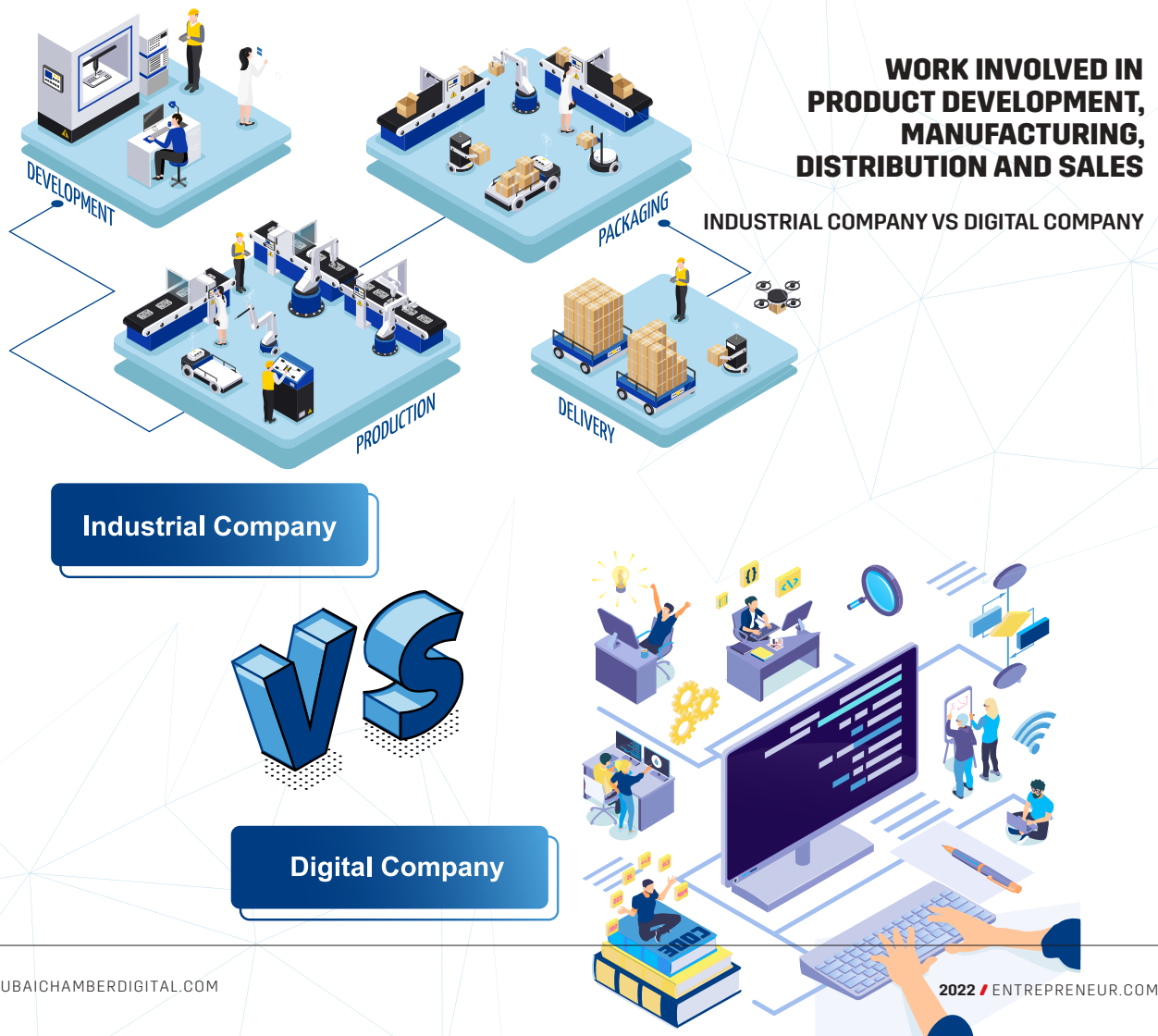


## FUTURE-PROOFING ECONOMIES

To cater to digital nomads and tech entrepreneurs around the world, economies are investing heavily to ensure reliable 24/7 internet connectivity at the fastest 5G speeds available, and packaging nomadic visas and fast-tracking business licensing procedures. Cities and economies around the world are working hard to attract the best and brightest tech companies, tech entrepreneurs, digital nomads, and the like, in order to foster a thriving start-up ecosystem that can bolster their local digital economy.

So why digital? What are the indicators that point to digital economies being the mainstay in the future? Look no further than at the evolution of top corporations and sectors around the world. It has become increasingly clear that heavy industrial and manufacturing giants are no longer the only dominant player in town. The tech sector is emerging as the

new leading sector, driven by digital activities and software applications which allows for lower capital expenditure, without the need for machinery and hardware investments. The tech sector is a more profitable and fast-scaling industry, powered by technology such as artificial intelligence (AI), machine learning, and other deep-tech integrations. While manufacturing physical products and shipping them around the world might allow for 10% to 20% profit margins at best, digital companies selling software at scale have the opportunity to enjoy up to 90% profit margins. As this lesson, of the supremacy of digital business models, becomes increasingly clear, economies and cities around the world are racing to attract, establish, and build the next group of leading digital companies to meet the increasing demands of our hyperconnected Digital Age.



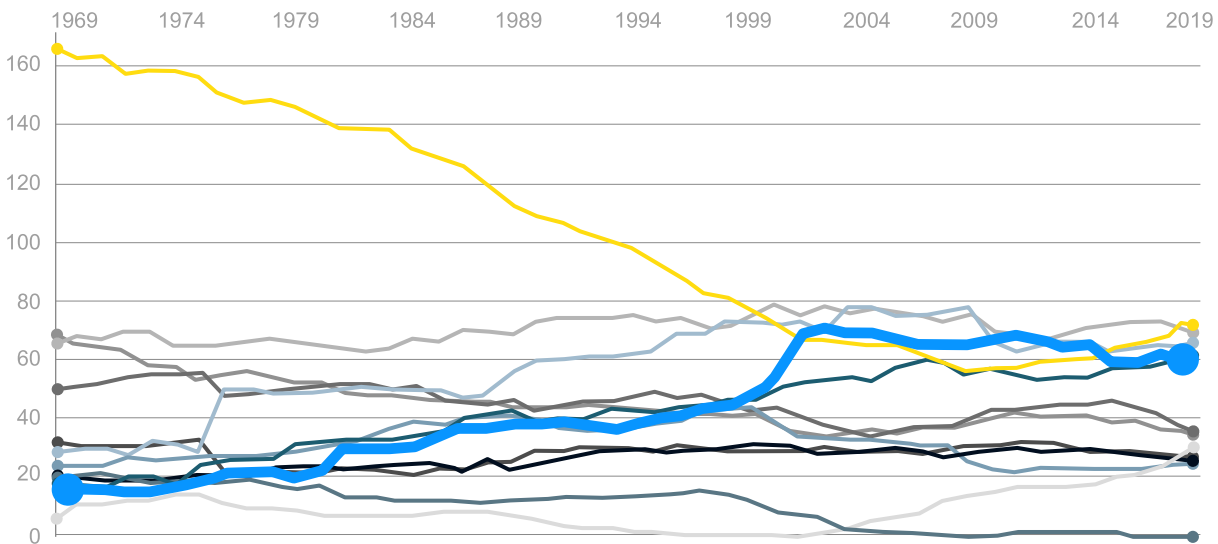


## FROM INDUSTRIAL ECONOMIES TO DIGITAL ECONOMIES

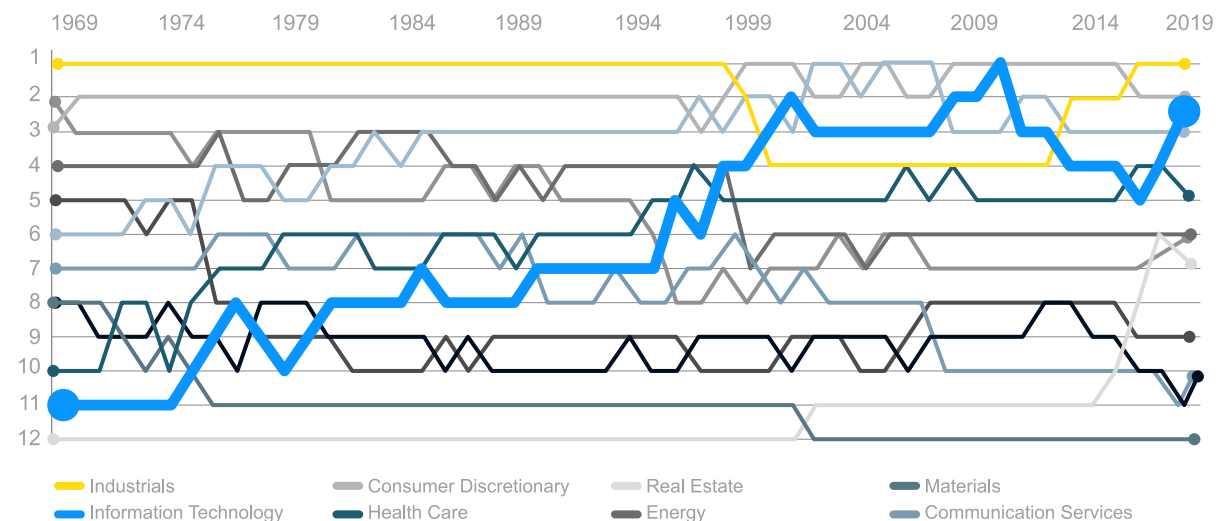
This trend towards digital can be clearly seen when reviewing the corporations and sectors represented in the S&P 500 over the past 50 years. The S&P 500 is a stock index that tracks the performance of 500 of the largest U.S. publicly traded companies in any given year. In 1969, 166 out of the 500 companies listed on the index were industrials (33%) like automotive, petrochemical and manufacturing players. In contrast, by 2019, there were only 70 industrials

represented (14%), more than halving heavy industries' representation on the index. In stark contrast, there were only 17 IT companies represented (3%) on the S&P 500 in 1969; By 2019, that number had grown 4X to reach 68 companies (14%) on the index. Other sectors that have shown a similar growth trajectory in the US market is healthcare and real estate.

**S&P 500'S REPRESENTATION & RANKING OF SECTORS BY YEAR (1969-2019)**



**S&P 500'S RANKING BY SECTOR AND YEAR (1969-2019)**



Source: S&P Dow Jones Indices, Lucidity Research & Analysis

## TECHNOLOGY JUGGERNAUTS

Not only have tech companies infiltrated the America's and the world's lists of largest and most powerful companies, but they have increasingly dominated them. In 2021, a handful of Tech juggernauts dominated and drove the S&P 500 to new heights, accounting for 31% of the entire index's increase. Companies like Apple, Microsoft, Google, Tesla (which is technically an industrial company, but analysts cite Tesla's Silicon Valley roots and engineering-focus as basis for this automotive stock to behave like a tech stock), and Nvidia soared by an average 65% last year. Tech companies also showed incredible resilience during global economic downturns spurred on by the 2020-2021 pandemic years,

as shutdowns didn't affect digital companies' profits such as Apple, Amazon, Microsoft, Nvidia, and Facebook/Meta.

Just reviewing the top 10 companies on the S&P 500 in 2012 versus 2022 illustrates the dramatic rise to prominence of digital companies in the past decade alone. Ten years ago, only three out of the top 10 companies were Tech companies (30%). By 2022, the number of tech companies dominating the top 10 list had doubled to reach six (60%). If you are in the camp that considers Tesla to be a tech stock, then tech dominance would be even more bolstered.

### THE S&P 500'S TOP 10: 2012 VS 2022

	2012's Top 10	Sector
1	Apple	Technology
2	Exxon Mobil	Oil & Gas
3	Microsoft	Technology
4	General Electric	Manufacturing
5	IBM	Technology
6	Chevron	Oil & Gas
7	Johnson & Johnson	Consumer
8	AT&T	Technology
9	Procter & Gamble	Consumer
10	Pfizer	Pharmaceutical

	2022's Top 10	Sector
1	Apple Inc.	Technology
2	Microsoft	Technology
3	Amazon	Technology
4	Tesla	Auto or Tech?
5	Alphabet Inc. (Class A)	Technology
6	Alphabet Inc. (Class C)	Technology
7	Berkshire Hathaway Inc.	Financial
8	UnitedHealth Group	Healthcare
9	NVIDIA Corporation	Technology
10	Johnson & Johnson	Consumer

Note: 2022 data sourced on 31 March 2022

Source: S&P Dow Jones Indices, Lucidity Insights Research & Analysis

## A GLOBAL TREND TOWARDS DIGITAL

Economists around the world often look to the US to allude to what's to come to the rest of the world. Just as America's most powerful companies decades ago were heavy industrials, so were the Global 500's powerhouses. Twenty-five years ago, the Global 500's top 10 companies in 1997 were Japanese and American heavy industrial corporations in energy, oil & gas, and automotive sectors, or were otherwise trading companies that shipped heavy industrial products and cars around the world. Fast forward 25 years to 2021, only half of the Global Top 10 are industrials; the other half of the world's largest companies are technology, healthcare and consumer retail companies.

Even more indicative of tech companies' prowess, is that despite there only being two technology companies represented in the top 10 in Fortune 500's 2021 List –

Amazon and Apple – their combined revenue made the technology sector the highest grossing sector in the top 10 with US\$661 billion in combined revenues. In fact, not only was Amazon the only company to post double digit year-on-year profit growth out of the top 10 companies in 2021, but it posted an immense 84% growth in profit. China's rise to prominence on the world stage can also be attributed to the success of China's rising tech industry, represented on Fortune's Global 500 list by the likes of Alibaba, Hon Hai Precision (FoxCon), JD.com, and Tencent. Another reality is that all major heavy industrial companies are also moving into the digital space. It is also noteworthy to mention that many other non-tech companies on the Top 10 list today such as Walmart, CVS Health, and United Health Group all have strong digital offerings – providing e-Commerce or digital products themselves.

**FORTUNE 500'S WORLD'S TOP 10 COMPANIES IN 1997 VS 2022**

1997 Top 10				2021 Top 10			
		Industry	Country			Industry	Country
1	 <b>General Motors</b>	Automotive		1	 <b>Walmart</b>	Consumer	
2	 <b>Ford Motor Company</b>	Automotive		2	 <b>State Grid</b>	Utilities	
3	 <b>Mitsui &amp; Co. Ltd</b>	Trading		3	 <b>Amazon</b>	Technology	
4	 <b>Mitsubishi Corporation</b>	Industrial		4	 <b>China National Petroleum</b>	Oil & Gas	
5	 <b>Itochu Corporation</b>	Trading		5	 <b>Sinopec Group</b>	Oil & Gas	
6	 <b>Royal Dutch Shell</b>	Oil & Gas		6	 <b>Apple</b>	Technology	
7	 <b>Marubeni Corporation</b>	Trading		7	 <b>CVS Health</b>	Healthcare	
8	 <b>Exxon Corporation</b>	Oil & Gas		8	 <b>UnitedHealth Group</b>	Healthcare	
9	 <b>Sumitomo Corporation</b>	Industrial		9	 <b>Toyota Motor</b>	Automotive	
10	 <b>Toyota Motor Corporation</b>	Automotive		10	 <b>Volkswagen</b>	Automotive	



The companies that our parents were excited to work for are no longer resonating with the top young graduates of today; today's youth want to "move fast and break things" working in digital companies building digital products for the future. Yesterday's industrialists are being replaced and superseded by today's techies and digitalists. Thus, cities, economies and countries are pushing forward ambitious and aggressive digital economy strategies to future-proof themselves.

## GLOBAL DIGITAL POWERHOUSES

Fortunately for Dubai and the United Arab Emirates, the country is not only a consistent regional leader, but a global leader in digital transformation and innovation – with even greater ambitions for the future. In 2021, the UAE broke into the Top 10 of the IMD Digital Competitiveness Ranking, outpacing the UK, Israel, Germany and France. The IMD World Digital Competitiveness ranking analyzes and ranks countries' ability to adopt and explore digital technologies leading to transformation in government practices, business models, and society in general. The government of Dubai tracks country and city-level digital performance indicators across over 15 prominent indices measuring digital competitiveness, and the UAE has consistently ranked in the top quartile of every assessment.





USA

1



Hong Kong

2



Sweden

3



Denmark

4



Singapore

5



Switzerland

6



Netherlands

7



Taiwan

8



Norway

9



UAE

10

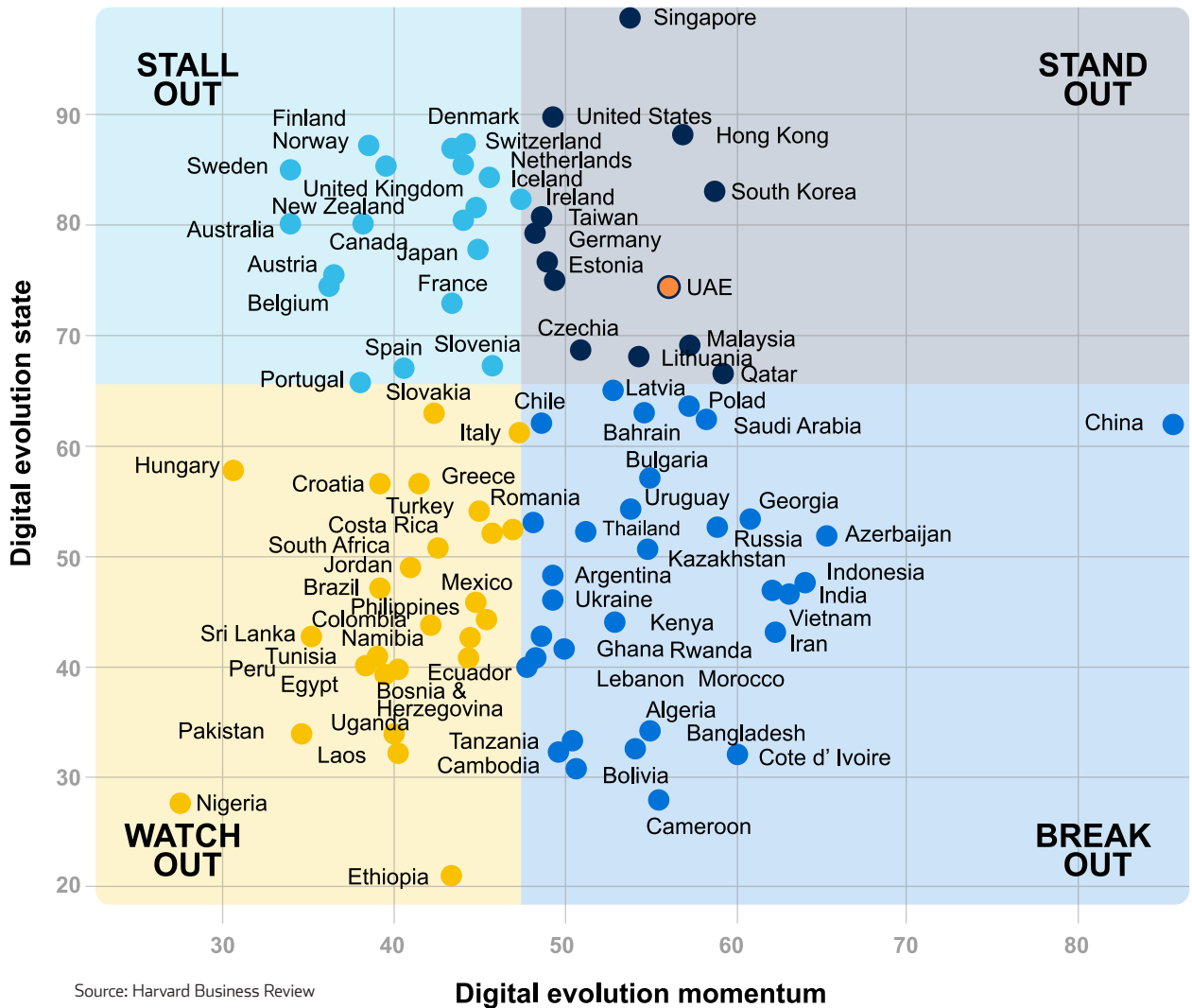
# 2021 TOP 10

## Digital Competitive Rankings



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In 2021, the UAE broke into the Top 10 List of the IMD's Global Digital Competitiveness Ranking, outpacing the UK, Israel, Germany and France.”



The United Arab Emirates has also consistently been a “stand out” country in its digital evolution, since the Digital Evolution Index (DEI) began publication in 2015. The index analyzes over 90 economies across 170 indicators and four key drivers – supply conditions, demand conditions, institutional environment, and innovation and change. According to the researchers from Tufts University behind the Index, “to investors and businesses, momentum is indicative of market attractiveness and potential; to policymakers, it is a proxy for competitiveness. It illustrates the pace of progress.”

For the UAE to be a “Stand Out” nation, it is considered to be

part of the digital elite. Stand outs are both highly digitally evolved and advancing quickly. Singapore has always been a breakaway leader in terms of current digital state, while countries like China, have the greatest momentum in how fast their digital ecosystems are evolving – despite China’s current digital evolution state still being low enough to place them in the “Break Out” category. Highly digitized segments of the population do exist in China, but the lower score on current state is likely based on not achieving consistent adoption rates across the majority of the country’s population. But when we evaluate from a digital economy contribution to national GDP standpoint, China’s dominance is undeniable.





The Chinese government announced that the country's digital economy contributed 39.8% to GDP in 2021, rising from 21.6% in 2012. In this same period, China's digital economy contribution grew from US \$1.65 trillion to \$6.5 trillion. In comparison, the United State's digital economy is estimated to contribute 12% of national GDP, or \$2.45 trillion. The UAE's digital economy currently stands at just over \$62 billion, and contributes nearly 10% to national GDP; while Canada has lower contribution of 6% (as of 2019), but its digital economy was already valued at over \$100 billion.

#### GLOBAL COMPARSION: DIGITAL ECONOMY CONTRIBUTION TO NATIONAL GDP

**39.8%**  
Digital Economy Contribution to  
National GDP in 2021



**\$6.5 Trillion**  
Value of Digital Economy in China  
in 2021

**12.0%**  
Digital Economy Contribution to  
National GDP in 2021



**\$2.5 Trillion**  
Value of Digital Economy in the  
USA in 2021

**9.7%**  
Digital Economy Contribution to  
National GDP in 2021



**\$62 Billion**  
Value of Digital Economy in the  
UAE in 2021

**6.0%**  
Digital Economy Contribution to  
National GDP in 2021



**\$105 Billion**  
Value of Digital Economy in the  
Canada in 2021

Source: Lucidity Insights Research

“

Our priorities are the development of the digital economy that will contribute to our national economy, reinforce the country's smart infrastructure, ensure our digital readiness and maintain the continuity of business of the UAE Government under all circumstances. The digital economy is a key driver in the growth and development of many new national economic sectors, and will help reinforce our competitiveness in the global market and future economy

**HH Sheikh Mohammed bin Rashid Al Maktoum**

UAE Vice President, Prime Minister and Ruler of Dubai



# WELCOME TO DUBAI: A LEADING DIGITAL ECONOMY

Allow us to properly introduce Dubai and the United Arab Emirates to you, both of which are glistening jewels in the Middle East's crown. Here you'll understand the big picture facts about both the country and its' commercial capital: Dubai. Get the basic facts & figures you need to know to put Dubai and the UAE into perspective, to help you understand why the world's top tech talent, entrepreneurs and investors are calling Dubai home.



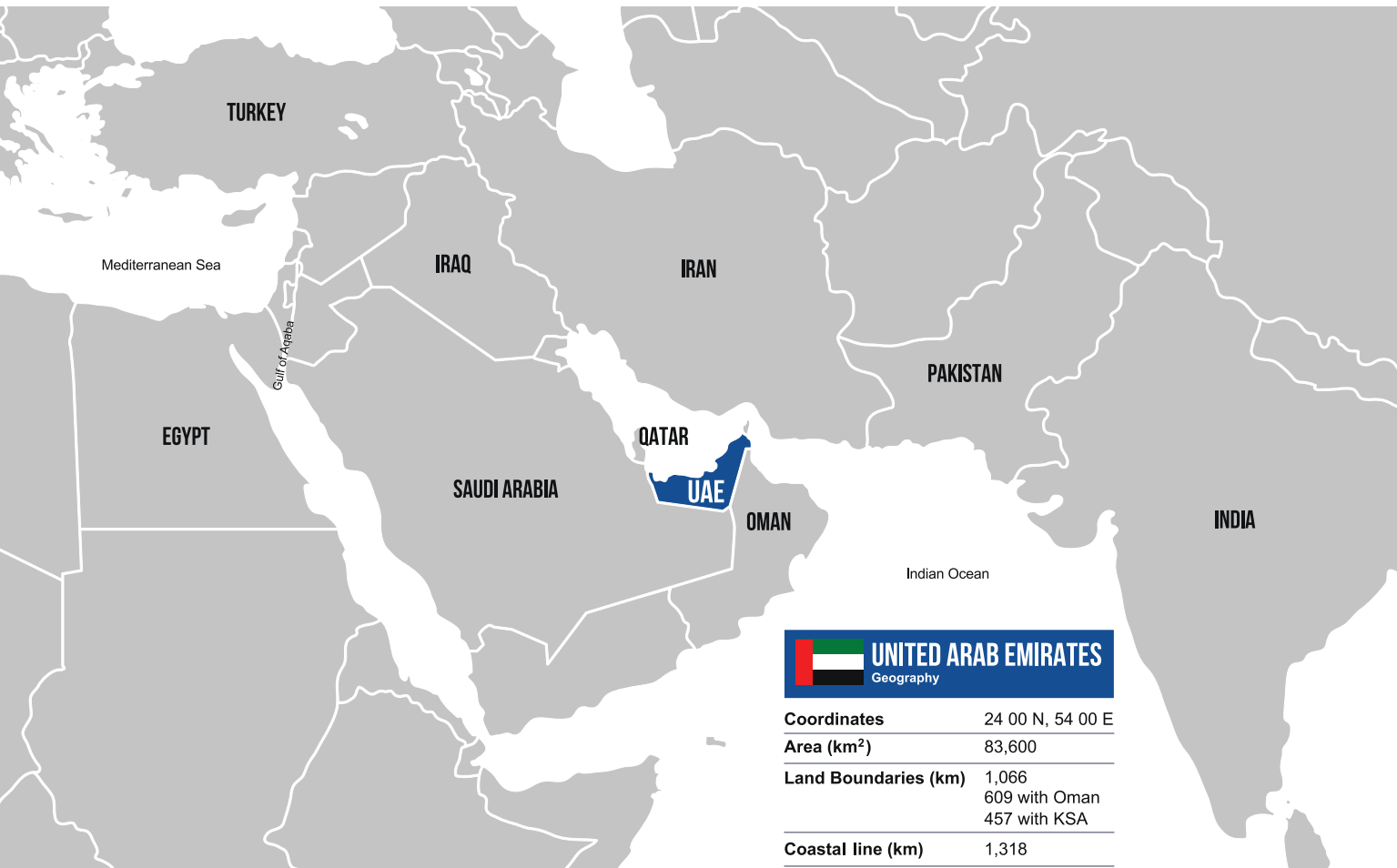




## DROP ME A PIN

Dubai is the commercial capital of the United Arab Emirates (UAE). The UAE is located in the Middle East and borders the Gulf of Oman and the Arabian Gulf. The country occupies a strategic location along the Strait of Hormuz, which connects the Persian Gulf to the Gulf of Oman and the Arabian Sea. The UAE is a relatively small country, ranking 116<sup>th</sup> in the world

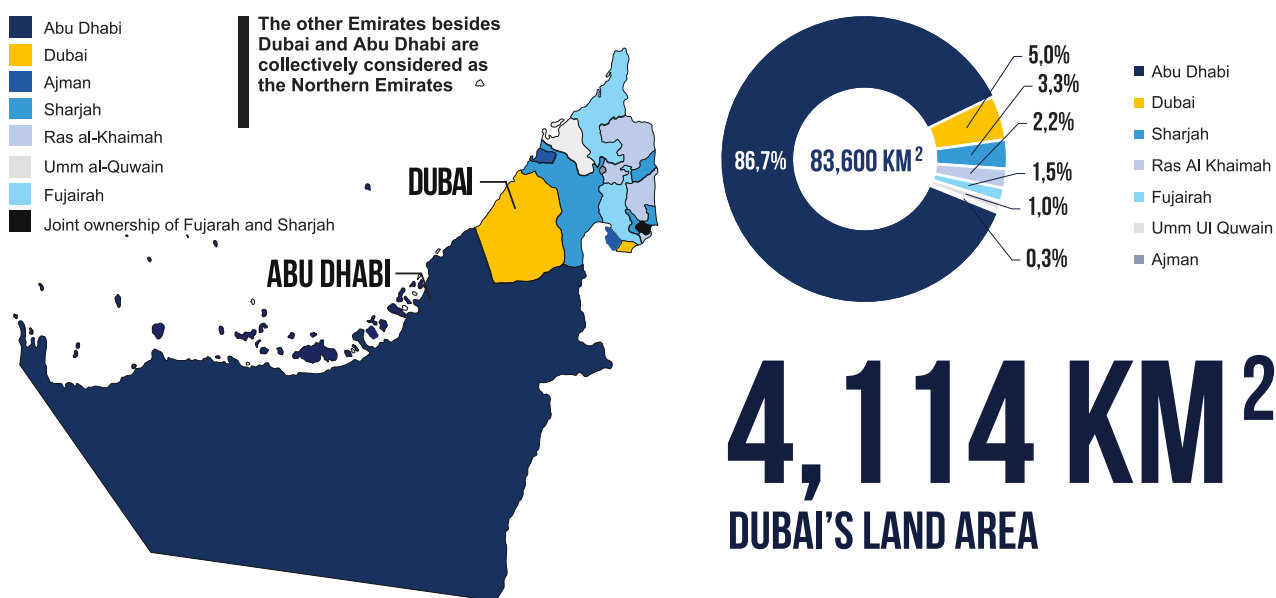
in size; it is similar in size to Austria or Portugal with a total coastal line of 1,318 km. It only takes 6-7 hours to drive along the Arabian coast from the far western border with Saudi Arabia to the far Eastern border to Oman. Approximately 80% of the United Arab Emirates landmass is covered by rolling desert and sand dunes.



Source: Lucidity Insights Research

Dubai is the most populous of the seven emirates that make up the United Arab Emirates, being home to 34% (3.4 million) of the country's total population of 10 million inhabitants. As the commercial capital of the country, the population of Dubai grows substantially during the day-time as commuters traveling in from other Emirates make their way into their Dubai-based offices. Abu Dhabi emirate is the second most populous emirate, but the largest in size with 85% of the country's landmass and 94% of the country's oil reserves;

it is home to the country's capital city also called Abu Dhabi. Dubai is perhaps best known around the world for its bold ambitions and record-breaking feats; the city is known around the world for having built the world's largest tower, the world's largest shopping mall, and the world's largest indoor ski slope – to name but a few. Dubai is also the 4<sup>th</sup> most visited city in the world, behind Bangkok, Paris and London, and ahead of New York.



Source: World Atlas, Ruler's Representative Court Al Ain Region, Global Media Insights, Lucidity Insights Research



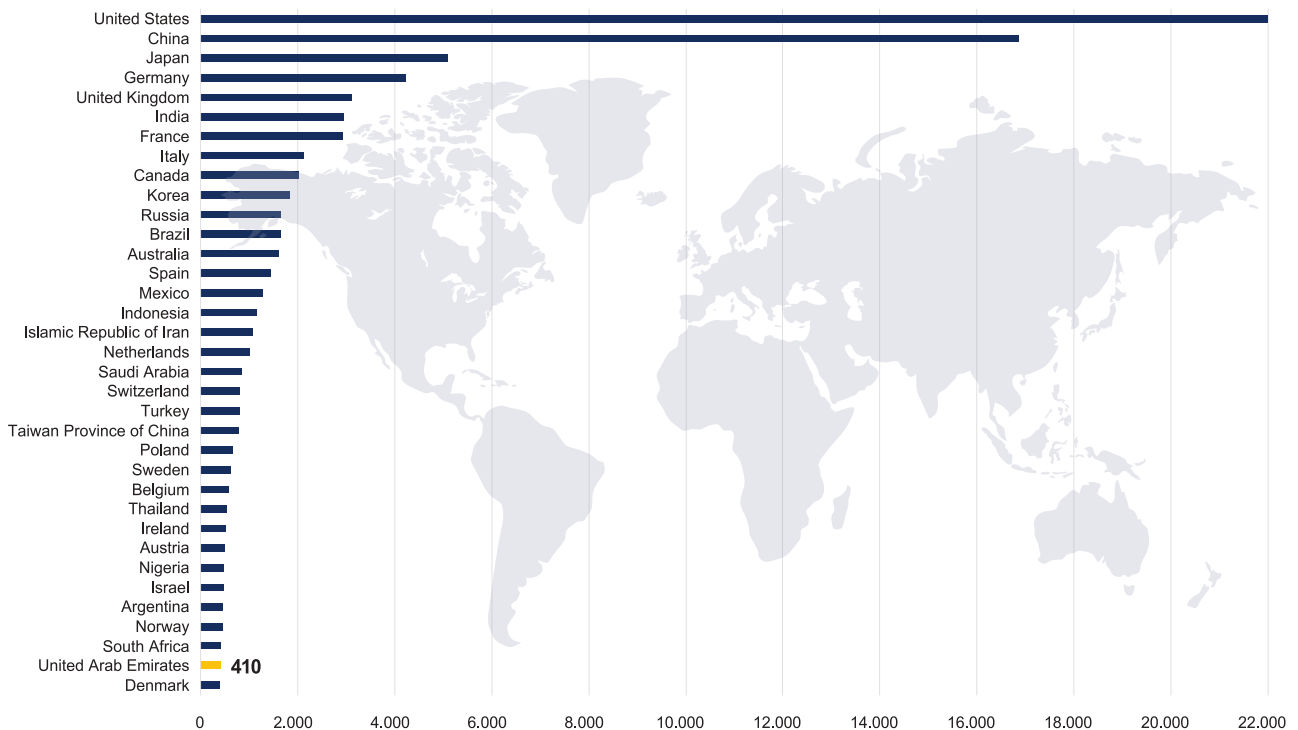


## YOUNG & WEALTHY

The United Arab Emirates is the 34<sup>th</sup> largest economy in the world ranking right below South Africa and right above Denmark. Its GDP in 2021 was US\$ 410 billion which makes it the 4<sup>th</sup> wealthiest economy in the MENA region behind Saudi

Arabi, Egypt and Iran. However, the UAE is the 6<sup>th</sup> wealthiest country in the world, in terms of economic output per capita on a PPP basis; this sandwiches the UAE behind Switzerland and ahead of Norway.

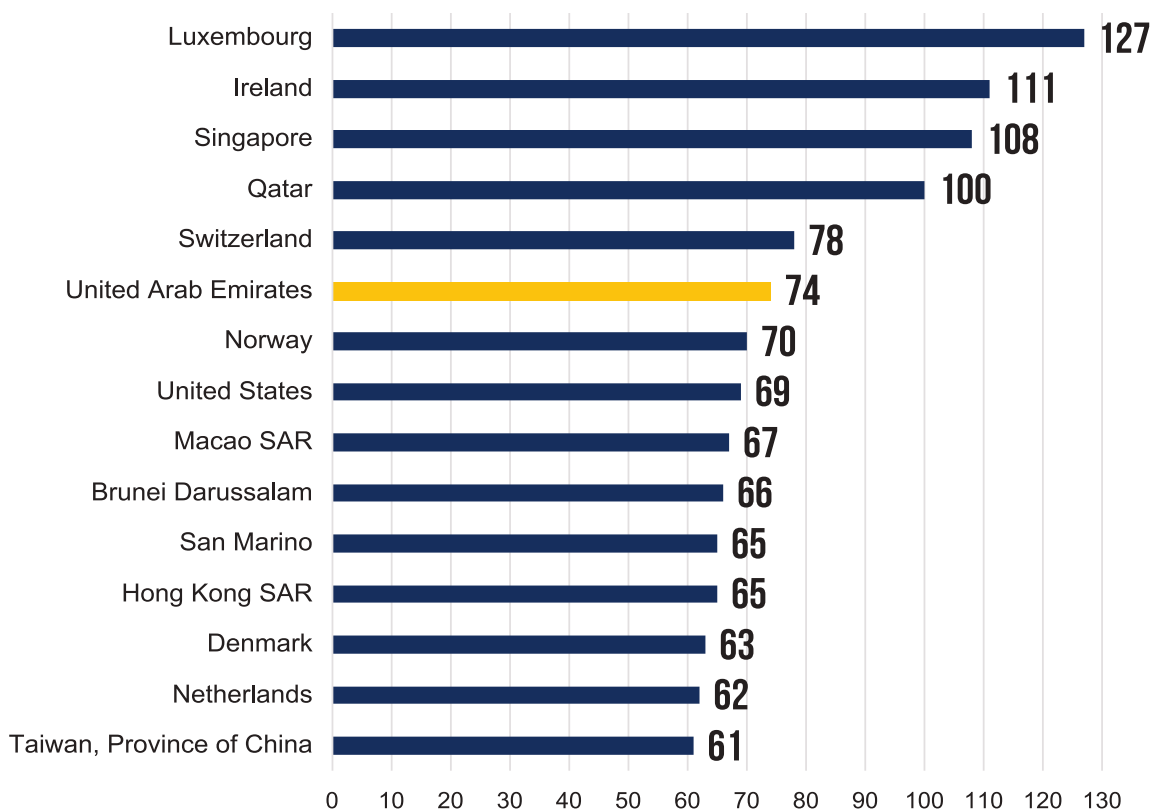
TOP 35 ECONOMIES IN TERMS OF 2021 GDP (US\$ BILLION)



Source: International Monetary Fund



### TOP 15 ECONOMIES IN 2021: GDP PPP PER CAPITA ('000 USD)

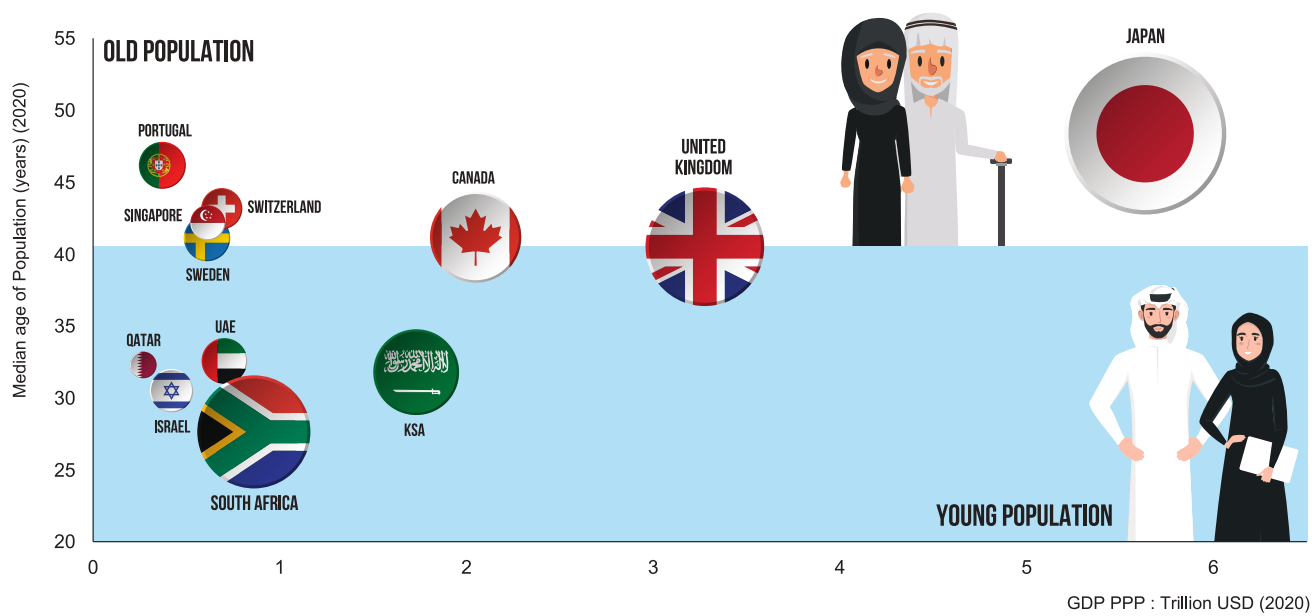


Source: International Monetary Fund

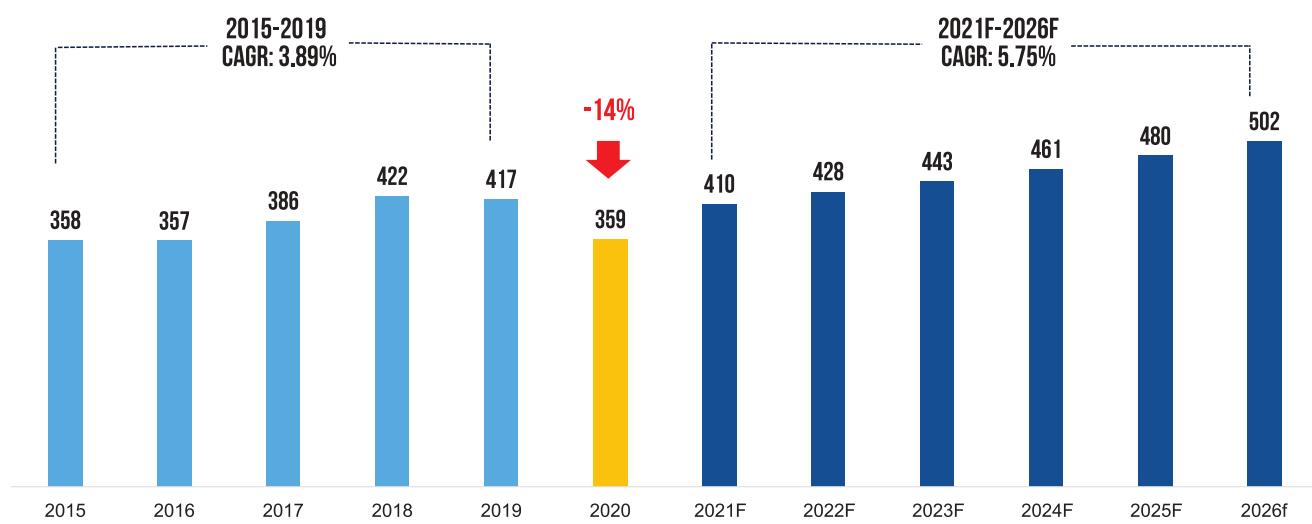
The United Arab Emirates has a young population with its median age at just 32.6 years old. Youthful nations are common in this part of the world, similar to countries like Israel (30.5), Saudi Arabia (31.8), and Qatar (32.8). The country is not only full of young people, but the country itself

is relatively young. The UAE celebrated its' 50<sup>th</sup> anniversary in 2021, and has sprawled up from the desert and made the dramatic transition from date farming and pearl fishing to become home to the sprawling modern metropolis it is today in five short decades.

### ECONOMIC WEALTH (GDP PPP) AND SIZE + MEDIAN AGE OF POPULATION



### UAE NOMINAL GDP (USD BILLIONS)

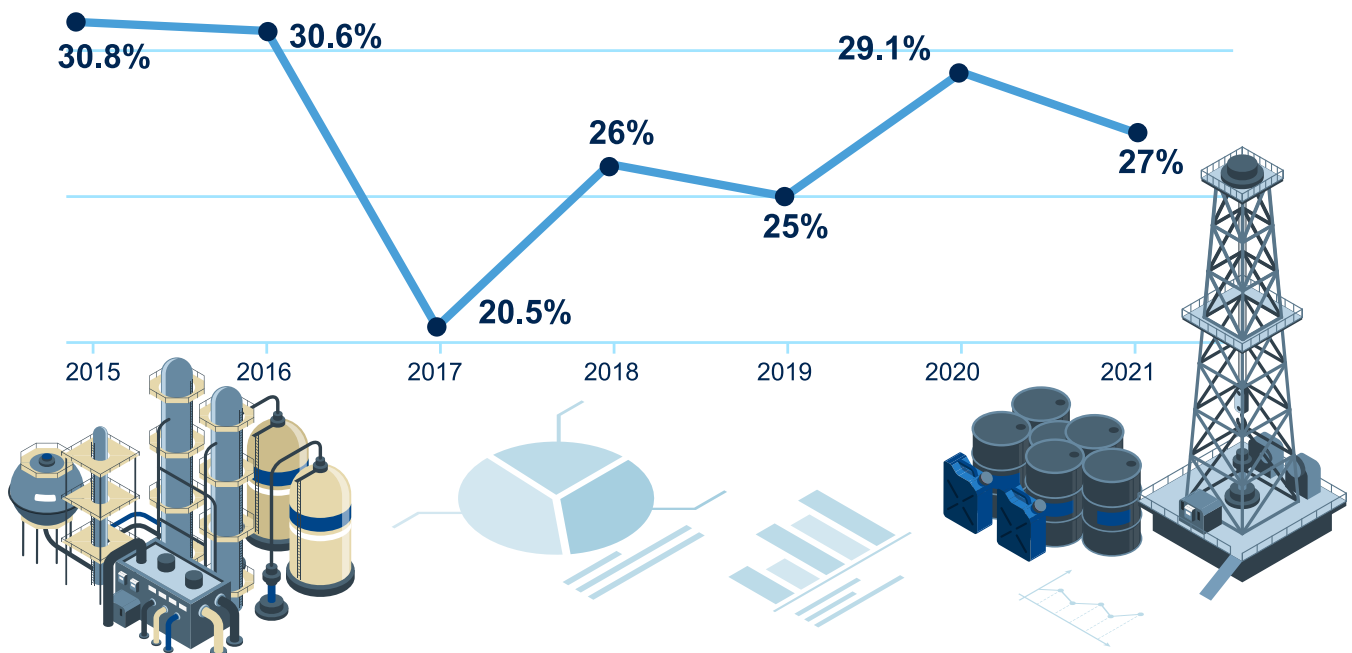


Source: International Monetary Fund, Lucidity Insights Research

Following the discovery of oil, the sheikhdoms which included Abu Dhabi, Ajman, Dubai, Fujairah, Ras Al Khaimah, Sharjah and Umm Al Quwain established the United Arab Emirates in 1971. Oil and gas has historically been a major contributor to the development of the UAE; in 2005, oil and gas accounted for 60% of the country's GDP. Over the past few decades, the UAE has significantly lowered its reliance on oil, and diversified its economy so that oil and gas accounts for anywhere between 20% to 30% of GDP, depending on oil price and other market conditions. The country still ranks 8<sup>th</sup> in the world for oil reserves, with somewhere south of 100 billion barrels of oil left. Other major contributors to the UAE economy include wholesale and retail trade, tourism, financial services, manufacturing, construction, real estate and logistics. Prior to the pandemic, the UAE registered a compound annual growth rate (CAGR) of 3.89% in GDP from 2015-2019. Post-pandemic recovery is forecasted to be a 5.75% CAGR from 2021-2026.



#### UAE' OIL SHARE IN ECONOMY



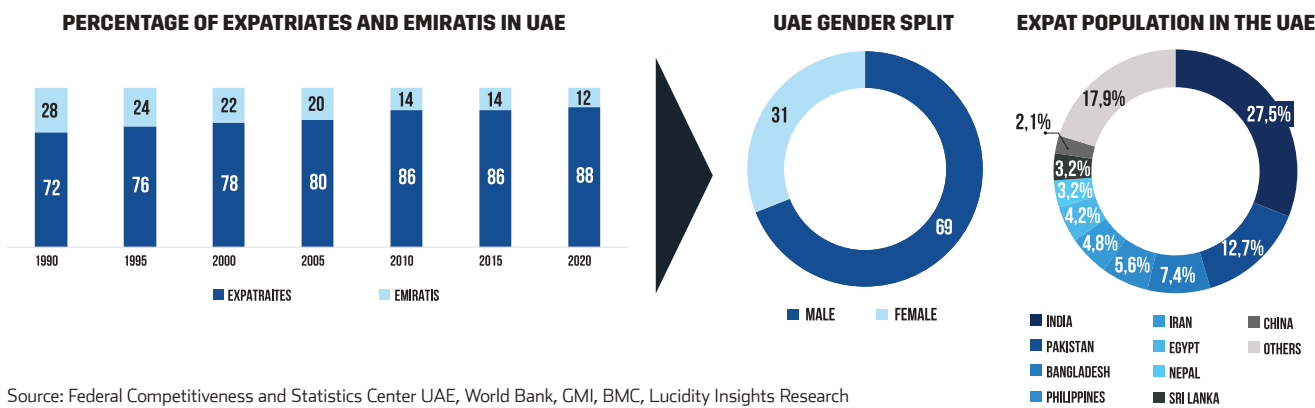
Federal government bond prospectus, Ministry of Economy, Lucidity Insights Research & Analysis



## HIGHER QUALITY OF LIFE & LOWER COST OF LIVING

The UAE attracts a large migrant population due to the country offering relatively high wages, no income taxes, better job opportunities, and a better quality of life. While Arabic is the official national language, English is the most commonly spoken language predominantly used for business dealings within the country. Dubai was voted as the 3<sup>rd</sup> best city to live in for expats worldwide in the 2021 InterNations Expat City

Rankings; one of the reasons given was the ease in which to live and operate in the city speaking English. In another 2021 global poll, Dubai ranked 2<sup>nd</sup> in Euromonitor's Top 100 Cities index, falling only behind Paris. Despite ranking amongst the highest in the world in terms of quality and standard of living, Dubai ranks relatively low in cost of living, being more affordable than Tel Aviv or Riyadh.



Dubai's population of 3.3 million people hail from 200+ nationalities, and is a true international hub. The city is home to 92,600 millionaires (USD), and 251 centi-millionaires (people worth over US\$100 million). 38 out of the country's 45 billionaires call Dubai home. Dubai has just as many billionaires as Switzerland (40), and France (42). It is estimated that Dubai is home to over US \$517 billion in private wealth. Meanwhile, Dubai is less expensive than other major home cities of the wealthy, such as Geneva, New York, Tokyo, London, Paris, Stockholm, Luxembourg, Los Angeles, Frankfurt, and Hong Kong.

Dubai has consistently led the Middle East region in Mercer's Quality of Living index. Mercer cited that Dubai scored

strongly on political environment, social environment, business environment, education and public services. The government of Dubai has progressively worked on enhancing infrastructure, safety, cleanliness, and stability in order to provide a comfortable environment conducive to attracting talent from around the world to call the city home.

The cost of living in Dubai has generally ranked high compared to global cities, consistently ranking in the top 25 most expensive cities in the world. That changed in 2021, when the cost of living in Dubai seemed to drop from 21<sup>st</sup> in 2019 to 42<sup>nd</sup> most expensive city in 2021. This reflects the rate of inflation in other cities being faster than that witnessed by Dubaians.

NO.	CITY	COUNTRY
1	Ashgabat	Turkmenistan
2	Hong Kong	Hong Kong (SAR)
3	Beirut	Lebanon
4	Tokyo	Japan
5	Zurich	Switzerland
6	Shanghai	China
7	Singapore	Singapore
8	Geneva	Switzerland
9	Beijing	China
10	Bern	Switzerland

NO.	CITY	COUNTRY
15	Tel Aviv	Israel
29	Riyadh	Saudi Arabia
42	Dubai	UAE
56	Abu Dhabi	UAE
71	Manama	Bahrain
94	Amman	Jordan
94	Jeddah	Saudi Arabia
108	Muscat	Oman
114	Casablanca	Morocco
115	Kuwait City	Kuwait

Source: 2021 Cost of Living Survey by Mercer, Lucidity Insights Research

Also contributing factors to Dubai's high quality of life are its strong standing in education and healthcare. The UAE have consistently ranked in the top 20 countries in the world when it comes to the quality of education available<sup>1</sup>. The quality of higher education was ranked 12<sup>th</sup> in the world in 2018. Private

schools, which comprise 90% of Dubai's education system in the primary and secondary levels in the UAE, offer curricula from the UK, US, India, IB, French, Canadian, German, Japanese and many other international forms to cater to the expatriate population.

<sup>1</sup>PWC



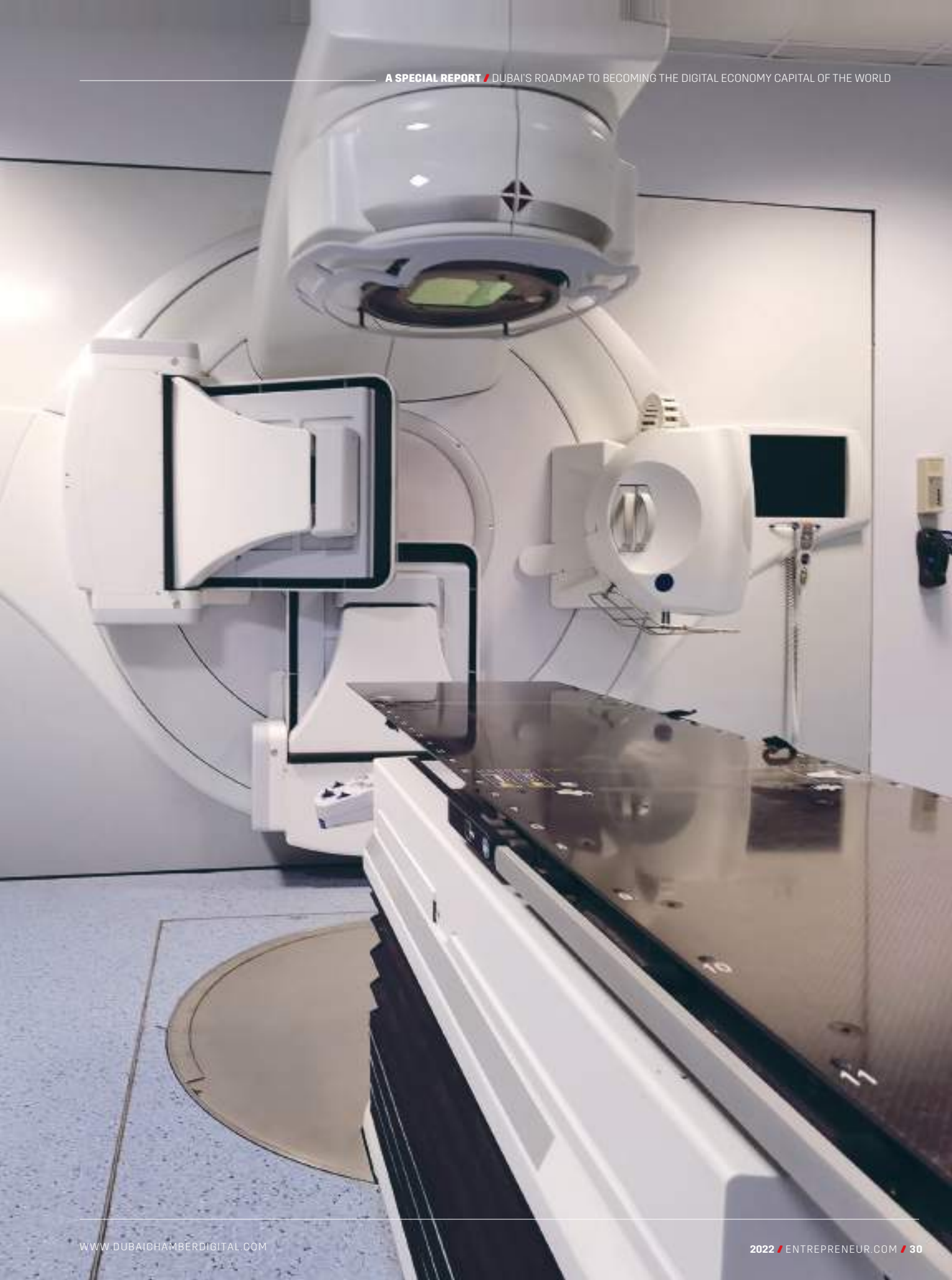
Healthcare in the UAE is also the finest in the Middle East region, while also faring high on a global scale<sup>2</sup>. In a global healthcare survey, the UAE ranked in 10<sup>th</sup> place, scoring higher than Canada, Norway and Switzerland. Dubai has 55 hospitals, of which 7 are specialty hospitals. There are also 1,849 clinics in Dubai, of which 1,163 are polyclinics. There are 181 doctors per 100,000 residents in the UAE (a 1.8 doctors to 1000 residents ratio). This is well above and nearly double the World Health Organization's recommendation of a 1 doctor to 1000 residents ratio. Due to its strong healthcare, Dubai is known for medical tourism and is ranked as one of the top 10 destinations in the world. Dubai received 630,000 medical tourists in 2021. Out of 46 destinations, Dubai ranks 5<sup>th</sup> in quality of facilities and services, 7<sup>th</sup> in destination environment, and 13<sup>th</sup> in medical tourism industry.

### TOP 10 CITIES ON MEDICAL TOURISM INDEX

Countries	Global Ranking	Destination Environment	Medical Tourism Industry	Quality of Facilities & Services
Canada	1	1	7	4
Singapore	2	2	3	1
Japan	3	5	2	2
Spain	4	4	4	8
UK	5	3	22	11
Dubai	6	7	13	5
Costa Rica	7	6	1	13
Israel	8	12	20	3
Abu Dhabi	9	15	8	9
India	10	21	6	6

Source: 2020-2021 Medical Tourism Index by The Medical Tourism Association

<sup>2</sup>Bloomberg





SPOTLIGHT | DUBAI CORPORATION FOR TOURISM AND COMMERCE

دبي

## CONVERSATION WITH ISSAM KAZIM, CEO OF DUBAI CORPORATION FOR TOURISM AND COMMERCE MARKETING



**Issam Kazim**

CEO of Dubai Corporation for Tourism  
and Commerce Marketing

### How has DET helped foster Dubai's tourism recovery?

Dubai's remarkable resurgence is inspired by the vision and guidance of our leadership that allowed us to successfully pass through the pandemic swiftly and further solidify Dubai's position as a global hub for economy and tourism. Our decisive leadership encouraged us to look at how we can capitalise on this unprecedented situation to fast-track our competitiveness and attractiveness from a tourism perspective, essentially by transforming challenges into opportunities. While the Department of Economy and Tourism plays a pivotal role in the implementation of our recovery strategy, we are thankful for the total commitment and continuous support extended by our stakeholders and partners. Throughout the pandemic, DET worked closely

with other government entities, key stakeholders, and a global network of more than 3,000 travel partners to create a clear pathway to full recovery.

Dubai's approach from the start of the pandemic has been one of preparedness, agility, and consistency. We took assertive measures from the start, becoming one of the first cities to close, then became one of the first to open and stay open by May 2020 domestically, and July 2020 for international travellers. Once the Government of Dubai established an effective process for managing the pandemic, the focus shifted to leading the global re-start of tourism and events.

In tandem with our efforts to position Dubai as one of the world's safest destinations, we also launched a series of

global marketing campaigns to ensure that Dubai retained its global appeal and to encourage international travellers to make the city their destination of choice. Together with our partners, we continue to take steps to instill confidence and trust in global travellers and reassure them that the city remains open, safe and accessible and they will be able to enjoy a well-rounded destination experience. Today, Dubai's successful rebound continues to inspire global tourism recovery with awareness of Dubai around the world increasing at a steady pace over the past two years and its international standing further elevated. Evidence of this growing momentum is reflected in the 7.28 million visitors who visited Dubai in 2021, representing a 32% YOY growth. This is further validated by the 6.17 million global travellers who arrived in the city in the first five months of 2022. Dubai was also chosen as the No.1 global destination in Tripadvisor Travellers' Choice Awards 2022.

**Dubai has done well during the pandemic and continues to recover tourism at breakneck speeds. Now that Expo 2020 is over, what is being planned to increase Dubai's attractiveness to the world, for more visitors, both for business and leisure in the future?**

Since reopening the city to international tourists in 2020, Dubai has never looked back and continued to build on the momentum year after year, culminating in the hugely successful Expo 2020. The steady growth in international visitors has reinforced tourism's role as a key driver of economic growth and reflects the resilience of Dubai in overcoming the odds, its successful diversified market strategy, the sustained attractiveness of Dubai's multi-faceted tourism proposition, and the strong public-private partnerships, a rare model of collaboration that is a key reason for the strength and stability of our tourism sector.

Expo 2020 has truly marked the start of an incredible new era for Dubai's tourism industry, leaving a lasting legacy that is a stepping-stone to building an even more resilient and sustainable future shaped by innovation, international cooperation, and a more competitive and diversified economy. The mega event has had a massive impact not just on tourism, but across other sectors such as business and finance, transportation, healthcare, and retail. After Expo, we are now focused on achieving the ambitious goal inspired by our visionary leadership of making Dubai the most visited destination and the city of the future that will be the best place in the world to live in and work. A game-changer in

this direction will be the Expo City Dubai, the dynamic Dubai development that has evolved from Expo 2020, and which is due to open in October this year. This will be a futuristic destination driven by sustainability, innovation, education, and entertainment.

With the continued support of our stakeholders and partners, Dubai is committed to always offering something new, unique, and world-class for the discerning global traveller. These developments will be largely through the Dubai 2040 Urban Master Plan, which includes the expansion of tourism attractions by over 100%, enabling new areas for investment, as we increase the diversity of attractions and experiences for residents and visitors. Dubai also continues to ease barriers to entry by launching and leveraging several initiatives to support tourism growth including visa categories like the Golden Visa and Five Year Multi Entry Visa and programmes such as the Retire in Dubai programme and Virtual working programme which have seen a significant upswing in people choosing to live in Dubai and make the city their home, which in turn has an exponential effect on visitation.

**Why is Dubai a great place to live, work and visit?**

The unparalleled quality of life in Dubai, its position as a global investment centre strategically located on the crossroads of the East and West and the diverse destination offering have enhanced the city's position as a global liveability hub. The continuous cooperation extended by our stakeholders and partners has also helped further reinforce Dubai's appeal as the best place to live in and work and make the multicultural city that is home to over 200 nationalities even more attractive to global travellers, entrepreneurs, creative and cultural talents, multinationals, and investors.

Dubai continues to score high across international indices. In 2021, Dubai was placed No.1 in the MEASA (Middle East, Africa, and South Asia) region and No. 12 globally in Julius Baer's Global Wealth and Lifestyle Report 2021 while in the Global Talent Competitive Index Dubai ranks the 3<sup>rd</sup> most desirable destination to live and work. The UAE was also voted the 4<sup>th</sup> best for expatriates to live and work in on HSBC's 14<sup>th</sup> annual Expat Explorer Survey 2021, up 10 places from 2020. The Gallup Global Law and Order 2021 report ranked the UAE as the No.1 country in the world for walking at night safely while the same report also ranked UAE as the No.2 safest country in the world. In addition to being picked as the world's most popular destination, Dubai was

## SPOTLIGHT | DUBAI CORPORATION FOR TOURISM AND COMMERCE

voted the world's No.1 destination for 'City Lovers' and No. 4 destination for 'Food Lovers' in Tripadvisor Travellers' Choice Awards 2022, which were based on independent destination reviews and ratings from travellers across accommodation, restaurants, and activities over 12 months from 1 November 1, 2020, to 31 October 2021.

We also saw in June the launch of the Michelin Guide for Dubai, further boosting our global recognition for the amazing culinary scene on offer here. As its first launch, Michelin proudly announced 69 restaurants that have been included in this inaugural guide. Two of these establishments have been recipients of 2 Stars and 9 have received 1 Michelin Star. Moreover, one restaurant also received the recently released Green Michelin Star; this highlights restaurants at the forefront of the industry when it comes to their sustainable practices.

Lastly, I would like to touch on Dubai as a city for entrepreneurs. In 2021, UAE-based startups raised \$1.2 billion across 232 transactions<sup>1</sup> – which was the highest in MENA and the region as a whole, witnessed \$2.6 billion VC funding in 2021 – the highest we have ever seen. This is down to the support and infrastructure Dubai continues to invest in to make Dubai a global hub for entrepreneurialism and we have seen many companies scale up and grow from Dubai to the world and I expect that to speed up even more going forward.

Dubai has also not been standing still at all over the last two years, and we have introduced a raft of exciting new initiatives such as the world's first-of-its-kind regulated zone to house the global Virtual Assets ecosystem in Dubai; introduced the Food Tech Valley, which includes R&D labs, Agri Tech and Engineering labs and of course, launched the Museum of the Future – the 'World's Most Beautiful Building on Earth' which stands to showcase the city's vision of the future to bring together the latest ideas, innovation and futuristic technologies.

These business enablers have also been supported by multiple legislative reforms, among the biggest in the country's history, as part of its commitment to move forward over the next 50 years building on the foundations to nurture a competitive and efficient society.

Key changes include flexible work conditions, salary, and employment contract structures, leave, recruitment costs,

end-of-service benefits, and regulations on workplace harassment. Also, bringing in line with other global competitive cities, we have introduced longer maternity leave, approved part-time work, job sharing, and work permits for 15-year-olds which all add to the attractiveness of the city and country.

**“We also launched a series of global marketing campaigns to ensure that Dubai retained its global appeal and to encourage international travellers to make the city their destination of choice”**

**Issam Kazim**

CEO of Dubai Corporation for Tourism and Commerce Marketing

<sup>1</sup>Crunchbase

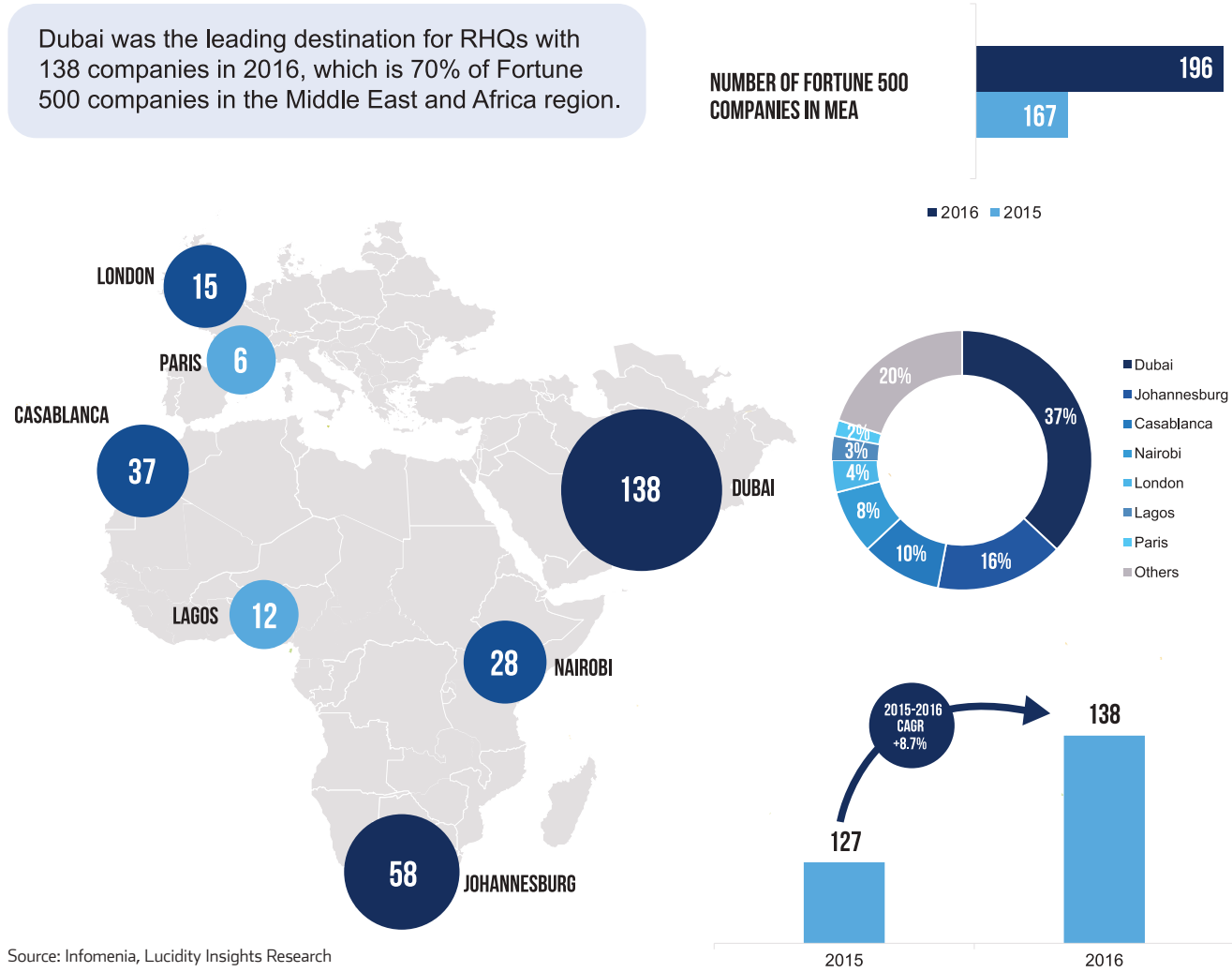




## THE REGION'S ECONOMIC CAPITAL

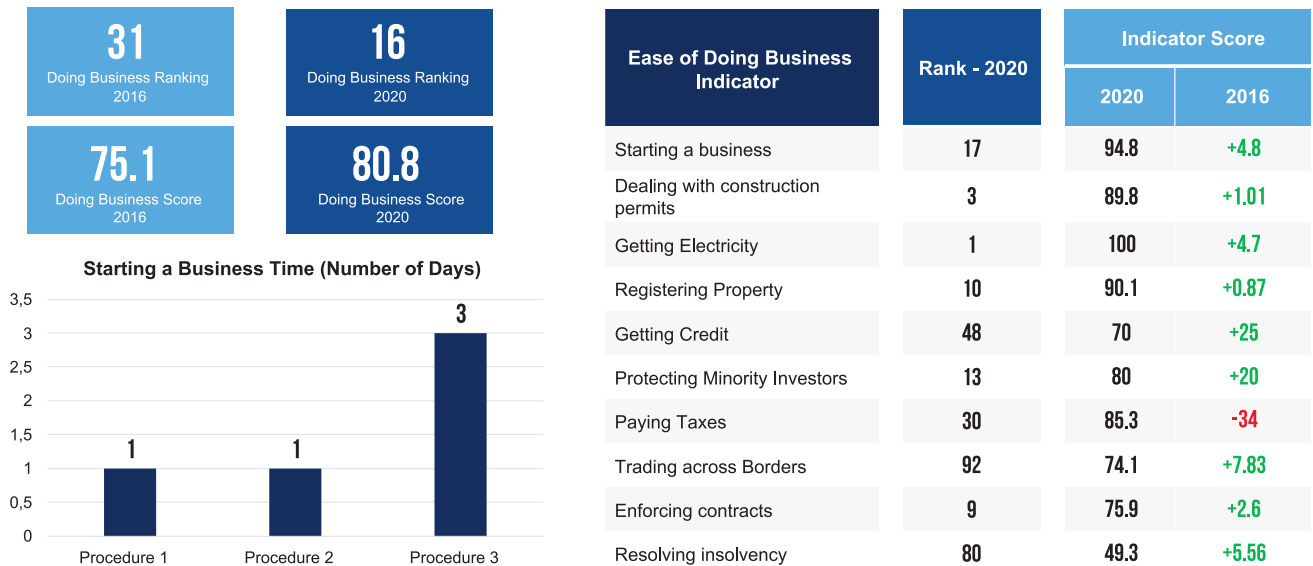
It's not just millions of expats that are looking to call Dubai home. Businesses around the world have preferred Dubai to anywhere else in the Middle East and Africa (MEA) region to seat their leadership teams. Dubai has become the centralized headquarter base for multinational companies (MNCs) since the 1990's. Today, out of the 196 Fortune 500 companies which have set-up a dedicated office for the MEA region, 138 (70%) have selected Dubai for their regional headquarters. This is largely due to the Emirate's political, economic, and

social stability, but also due to Dubai's business-friendly policies. The UAE is ranked 1<sup>st</sup> in the World Bank's Ease of Doing Business rankings in MEA. Dubai is ranked 1<sup>st</sup> in ease of starting a business, 1<sup>st</sup> in ease of getting an electricity connection, 1<sup>st</sup> in getting construction permits, 1<sup>st</sup> in enforcing contracts, and 2<sup>nd</sup> in registering a property – across the region. There are over 300,000 businesses with registered membership with the Dubai Chamber of Commerce, making it one of the largest chambers in the world.



<sup>1</sup> GCC countries include Saudi Arabia, Kuwait, the United Arab Emirates, Qatar, Bahrain, and Oman

## EASE OF DOING BUSINESS: DUBAI PERFORMANCE

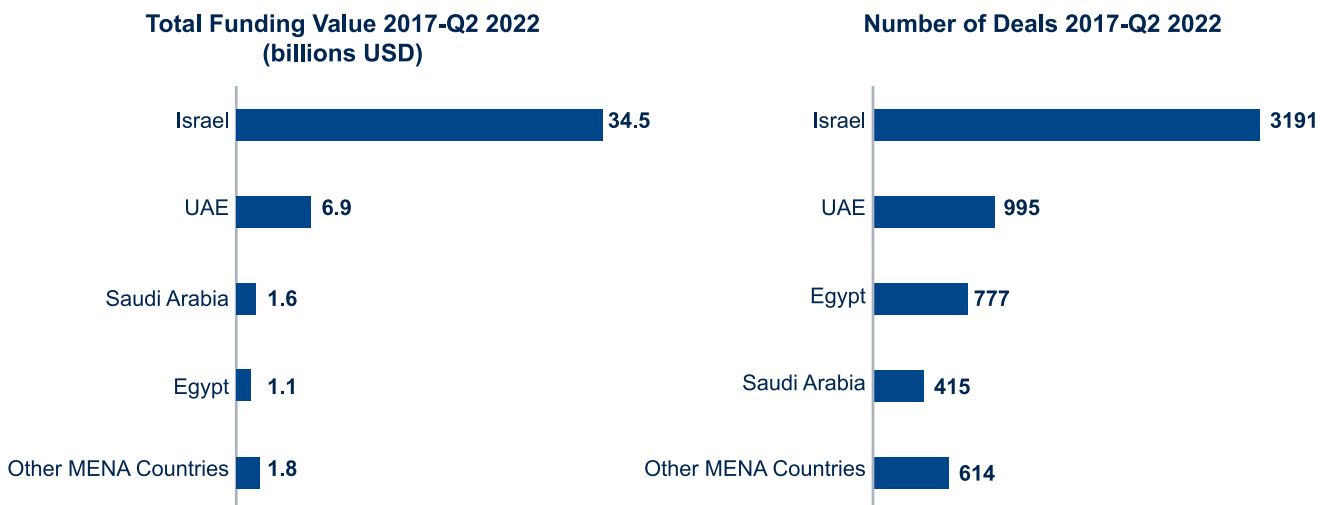


Source: World Bank, Lucidity Insights Research

Dubai is already a regional heavy-weight as a digital and start-up hub, second only to Tel Aviv in ecosystem size and funding received. But, unlike Tel Aviv, which caters almost entirely to Israeli founders, Dubai is an international start-up hub, welcoming founders from around the world. The UAE has attracted more than 4.4x the amount of total VC funding than 3<sup>rd</sup> placed Saudi Arabia, since 2017. In 2021, 28% of

all funded start-ups in the Arab world were Dubai-based. It is estimated that Dubai's start-up ecosystem is valued at well-over US \$7 billion. In 2021 alone, Dubai-based start-ups raised over US \$1 billion in funding in 146 out of the 162 deals executed in the country. 96% of all amounts fundraised in the UAE went to Dubai-based start-ups in the past five years (2017-2021).

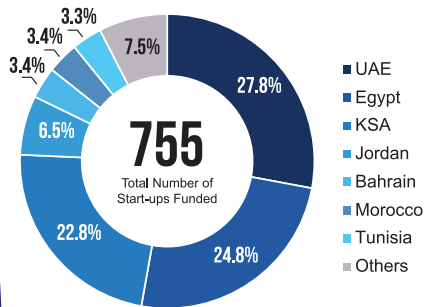
## TOTAL MENA FUNDING &amp; NUMBER OF DEALS OVER THE PAST 5+ YEARS (2017-Q2 2022)



Source: Crunchbase, Lucidity Insights Research &amp; Analysis

Note: Israel fundraising values only include fundraising executed by Israeli start-ups currently headquartered in Israel. US start-ups with Israeli founders are considered American start-ups, to accurately showcase investments going to local ecosystems.

## NUMBER OF STARTUPS FUNDED IN ARAB WORLD 2021



**DUBAI**

**#2**

Regional Ecosystem Performance

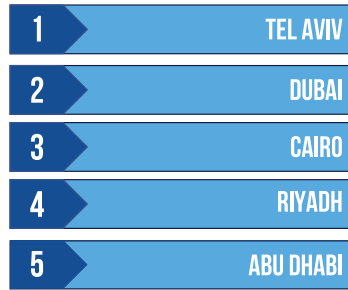
**TOP 10**

Regional Ecosystem Knowledge

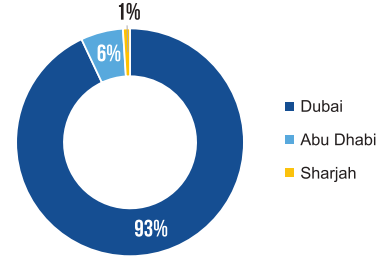
**TOP 10**

Global Emerging Ecosystem Funding

## MENA START-UP ECOSYSTEM TOP 5 PERFORMERS



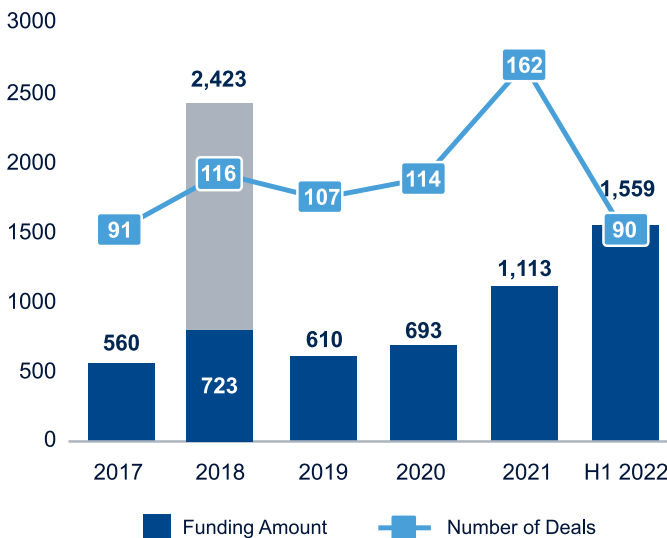
## THE TOP 100 TECH STARTUPS IN THE UAE ECOSYSTEM- LOCATION BREAKDOWN 2017



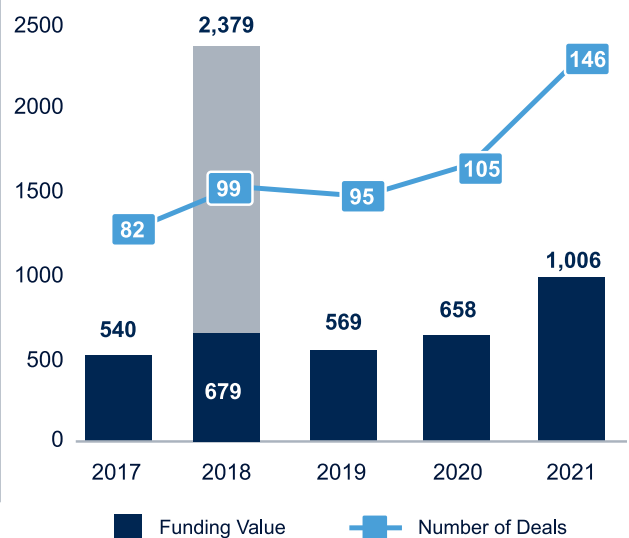
	Dubai	Global Average
Ecosystem Value	\$7.2 billion	\$13.68 billion
Median Seed Round	\$500K	\$480K
Median Series A Round	\$3.3 million	\$3 million

Source: Startup Genome, Lucidity Insights Research

## UAE STARTUP FUNDING (MILLION USD) AND NUMBER OF DEALS 2017 - H1 2022



## DUBAI NUMBER OF DEALS AND FUNDING VALUE (USD MILLIONS) 2017 - 2021



Source: Crunchbase, Lucidity Insights Research & Analysis

\*number of deals where amount of funding is disclosed

Note: 2018 funding includes \$1.7 billion raised by Telegram Messenger in an ICO







## A HYPER CONNECTED CITY

Dubai's ports and airports serve as some of the most active gateways for trade and tourism into Europe, Middle East, Africa and South Asia. 80% of the world's population is reachable within an 8-hour flight from Dubai. Dubai International Airport has been the busiest airport in the world for the past 8 years. In 2021, it facilitated 29.1 million passengers, hosts 140 airlines conducting 8,000 weekly flights. There are 260 destinations that Dubai is directly connected to around the world. Current forecasts indicate that traffic through DXB airport could reach 55.1 million by the end of 2022, with more travel opening around the world as the tourism industry rebounds from the global pandemic. In 2019, prior to the pandemic, DXB airports carried 88 million passengers per year. Dubai is also known to have some of the top logistics and transport infrastructure in the world; Dubai was ranked #1 for having the best transport infrastructure by the World Economic Forum, ranked 5<sup>th</sup> best shipping hub in the world according to the International

Shipping Centre Development Index, and 11<sup>th</sup> in the World Bank Logistics Performance Index.

5<sup>th</sup>



Best International Shipping Hub in the world according to International Shipping Centre Development Index

11<sup>th</sup>



Ranking in the World Bank Logistics Performance Index

1<sup>st</sup>

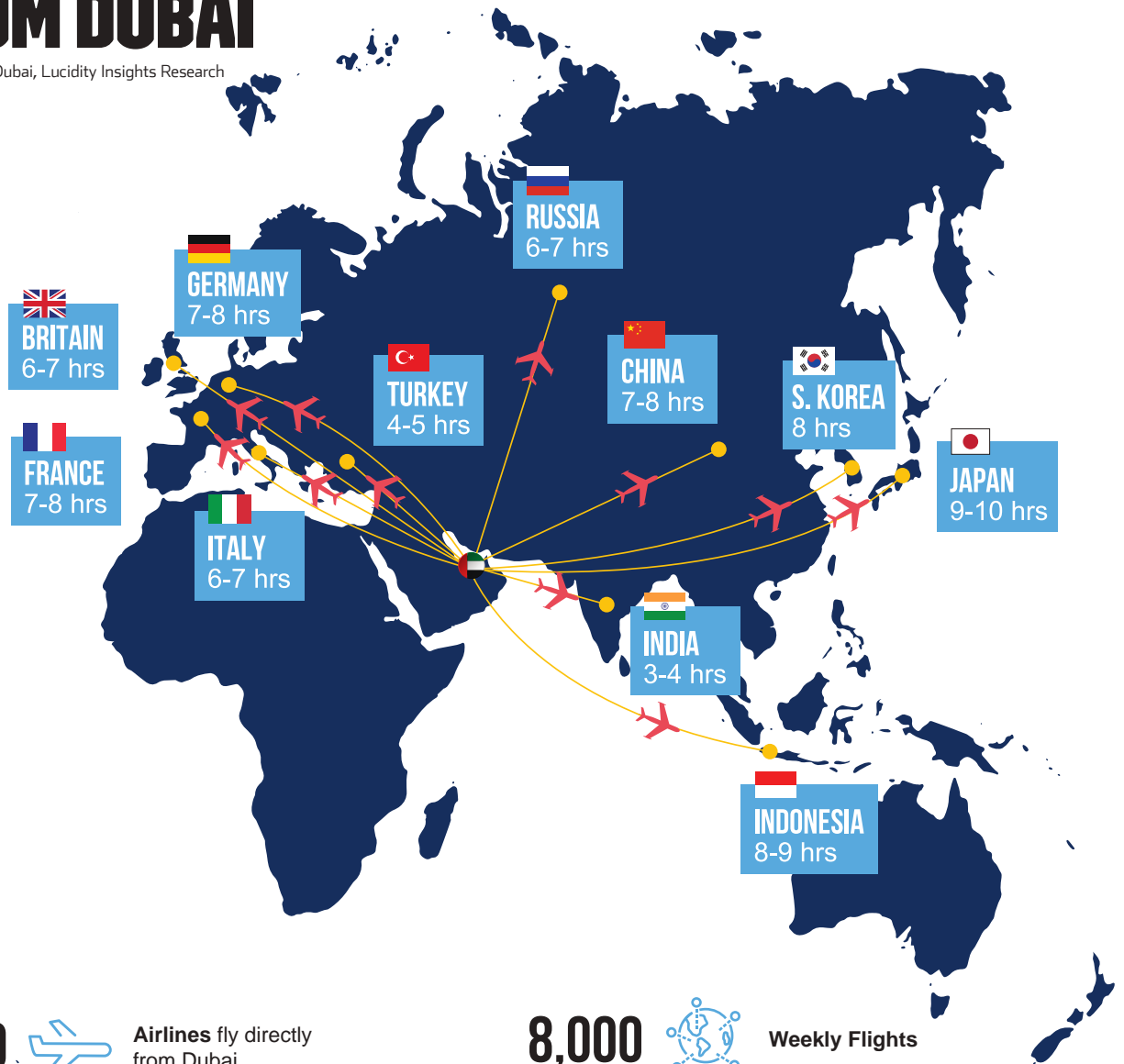


Recognized as having the best transport infrastructure globally by World Economic Forum



# FLIGHT TIMES FROM DUBAI

Source: Visit Dubai, Lucidity Insights Research



140



Airlines fly directly from Dubai

8,000



Weekly Flights

260



Destinations that Dubai is connected to via its airlines

>120



Shipping Lines

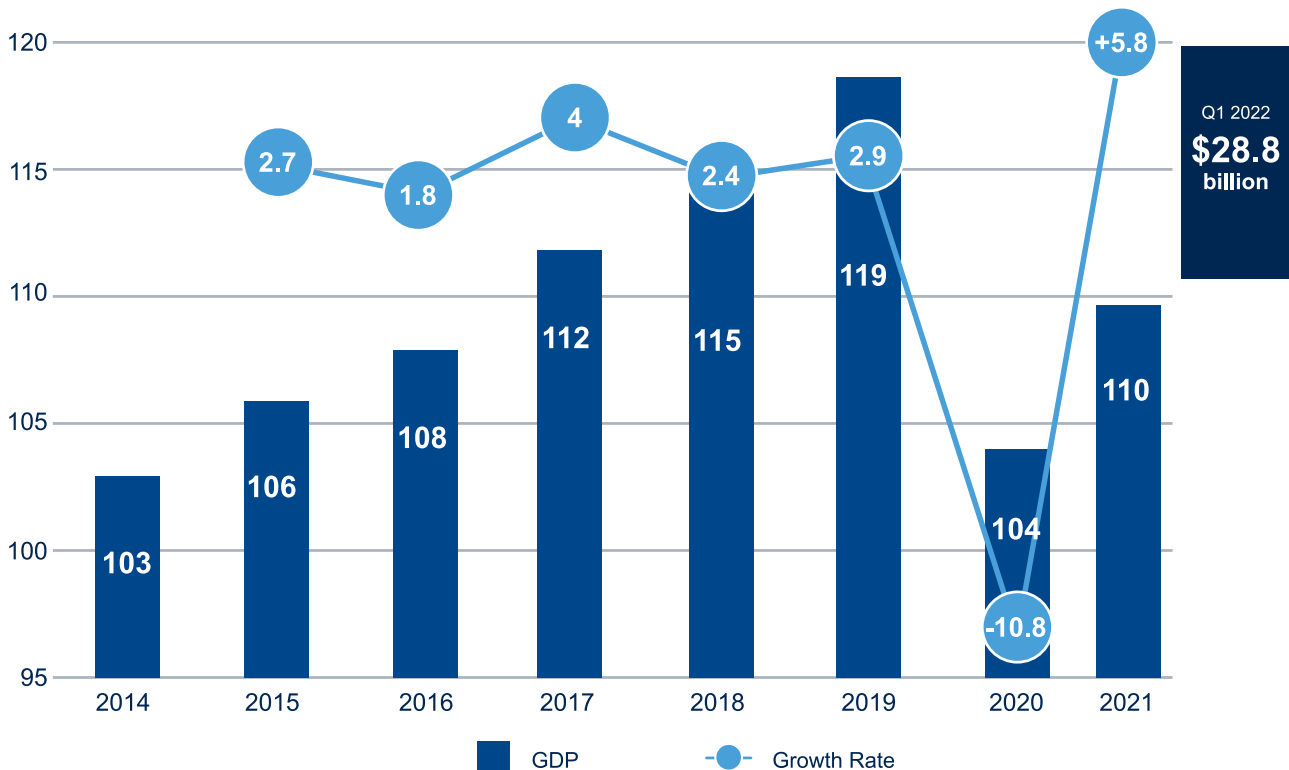
Source: Free Zones Gateway, Lucidity Insights Research

## DUBAI'S DIVERSIFIED ECONOMY

Dubai's contribution to GDP in 2019 stood at \$118 billion, contributing 28% to UAE's GDP which stood at US \$417 billion. Dubai did experience a 10.8% contraction in GDP from \$118 billion in 2019 to \$105 billion in 2020 due to the impact of Covid'19, which predominantly impacted the hospitality, tourism, and retail sectors. The economy is diversified away from oil for the simple fact that Dubai has very little oil. Over half of Dubai's GDP is dominated by trade, logistics, financial and manufacturing activities. SME's were majorly impacted due to the pandemic, however Dubai has consistently shown signs of rebound, as GDP grew 6.3%

in the first nine months of 2021, on the back of favorable government policies and supportive fiscal measures, which included new legislation and amendments to the investment and residence laws in the UAE – stimulating strong flows of local and foreign investment. The GDP growth seen in Dubai is a significant contributor to the country's national GDP, which stood at 3.8% growth in 2021 and forecasted to reach 5.4% in 2022. In Q1 2022 alone, Dubai's GDP grew at 5.9%. The tourism and real estate sector also made a significant recovery on the back of a stimulus package worth US\$1.9 billion.

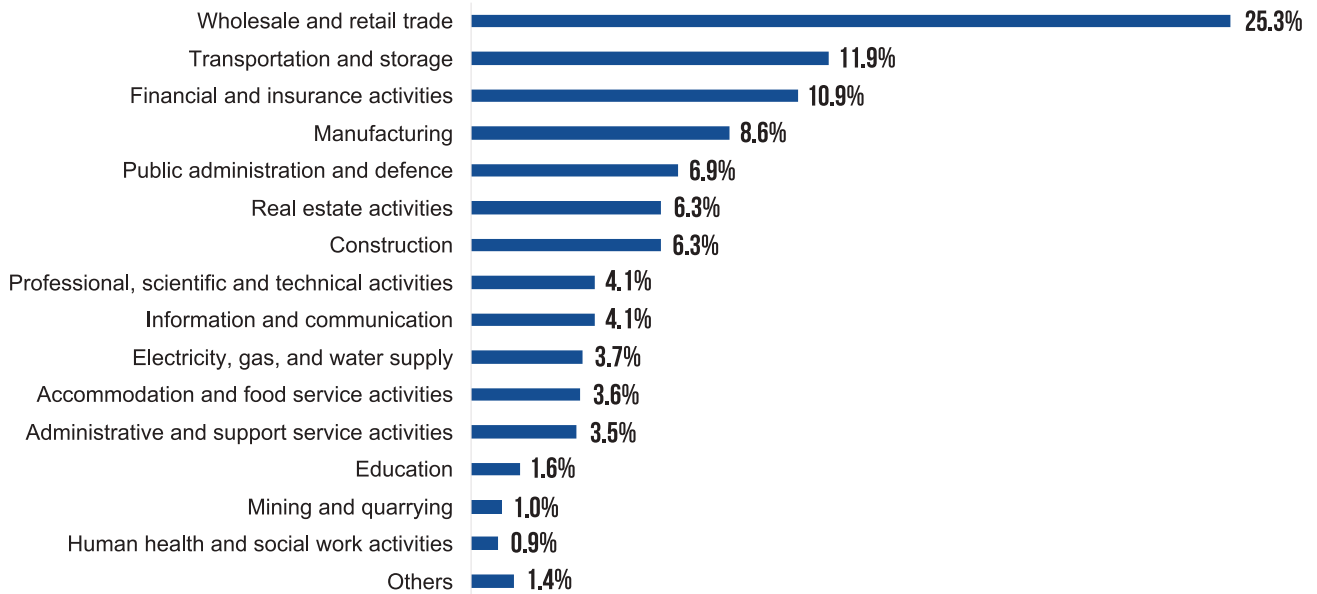
**DUBAI GDP AT CURRENT PRICES (USD BILLIONS) AND GROWTH RATE**



Source: Dubai Statistics Center, Government of Dubai, Lucidity Insights Research

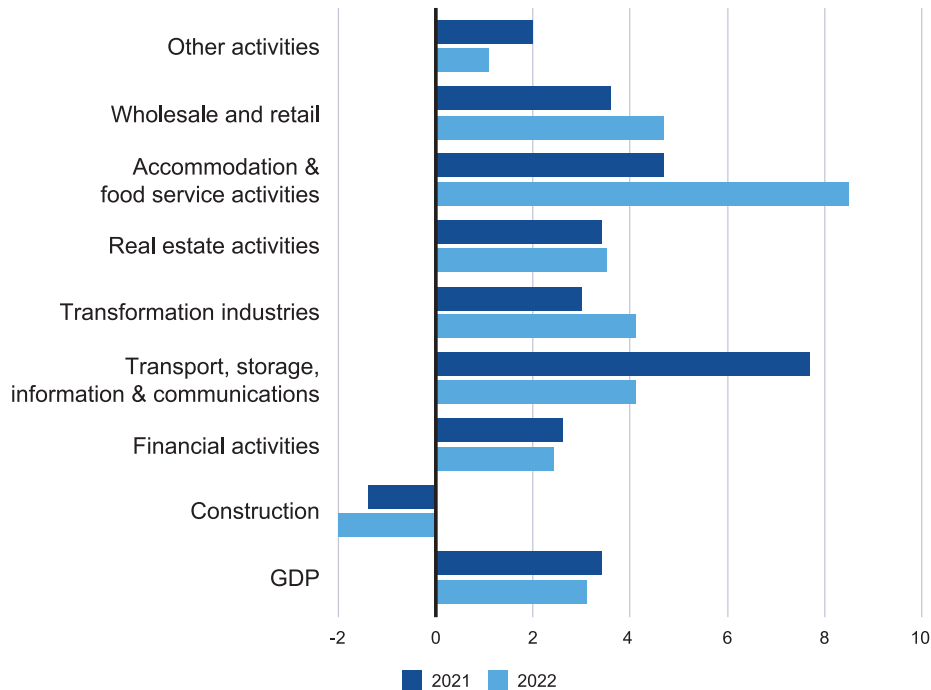
Note: Dubai's Economy contracted in 2020 due to the global covid'19 pandemic

### DUBAI GDP DISTRIBUTION BY ECONOMIC ACTIVITIES 2019 (%)



Source: Dubai Statistics Center, Government of Dubai, Dubai Chamber, Lucidity Insights Research

### DUBAI ECONOMIC OUTLOOK, 2021-2022 [% YEAR-ON-YEAR GROWTH]



**In 2020, an average of 3.5 new F&B establishments opened every day in Dubai, even amidst the pandemic.**

Source: Dubai Economy and Tourism Department, Lucidity Insights Research

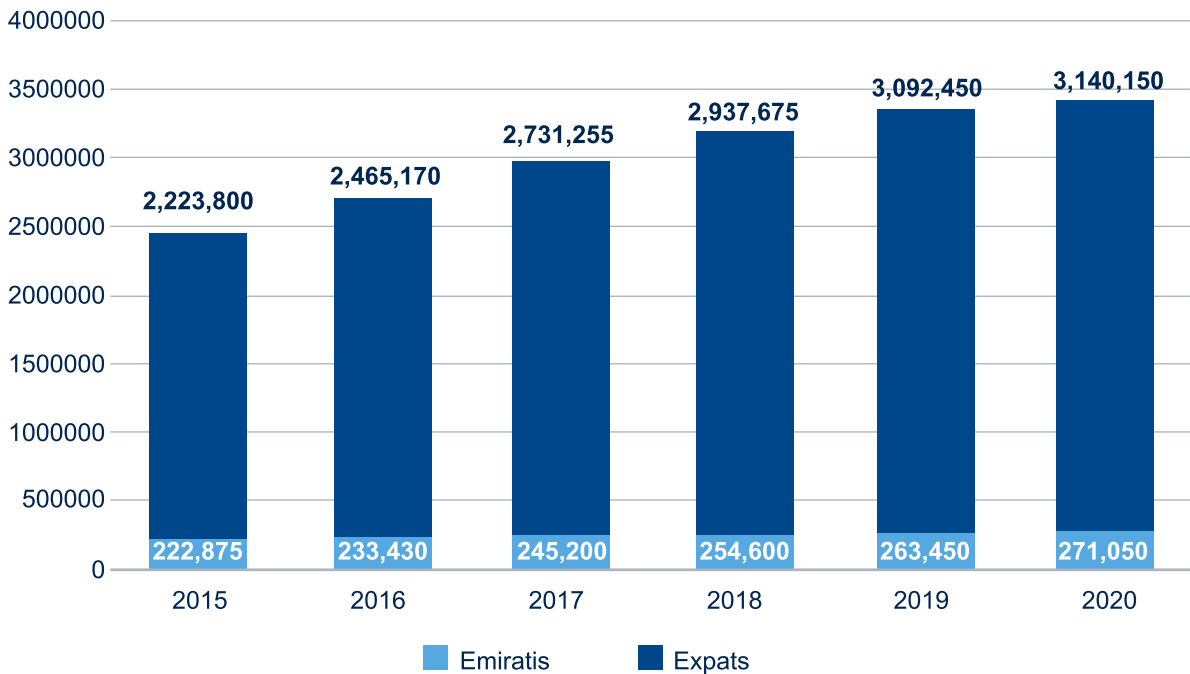


## WHAT IT MEANS TO BE A DUBAIAN

The city is one full of international entrepreneurs. 17% of Dubai residents are either nascent entrepreneurs or owner-managers of their own business; that means there are over 560,000 entrepreneurs and business owners in this city of 3.3 million. This number is only growing since the pandemic attracted thousands of entrepreneurs to relocate to Dubai from abroad. Dubai's small and medium-sized enterprises (SME's), which represent 95% of all businesses in the Emirate, contribute to 40% of the Emirate's GDP and 43% of the city's workforce. Perhaps unsurprisingly, Dubai is also the most culturally diverse and international city in the UAE. 92% of Dubaiians are expatriates, holding a nationality other than Emirati. 74% of Dubai's population is under 40 years old, and English is the dominant language spoken.

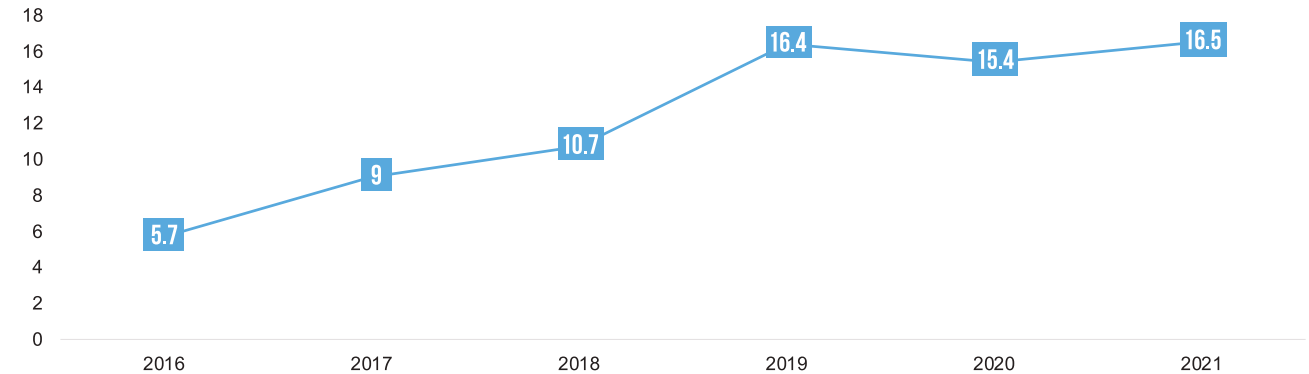


EMIRATI VS EXPAT POPULATION IN DUBAI



Source: Dubai Statistics Center, Government of Dubai, Lucidity Insights Research

### PERCENTAGE OF UAE POPULATION THAT ARE ENTREPRENEURS



Source: OC&C Strategy Consultants, Startup Genome, Lucidity Insights Research

**17% of Dubai Residents are either Nascent Entrepreneurs or Owner-Managers of a new business.**

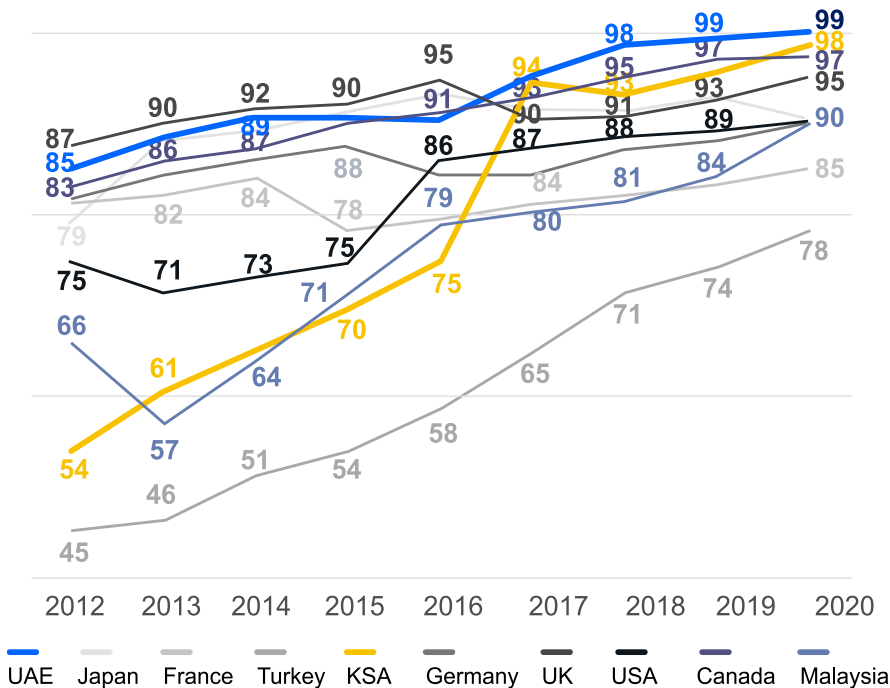


## AN IDEAL DIGITAL CONSUMER BASE

Last but certainly not least - The residents of the UAE are prime digital consumers themselves. Residents are some of the most connected and tech-savvy in the world. Internet penetration is 99% of the country, meaning 9,935,967 internet users are active in the country as of 2022, which is a higher penetration than the USA or the UK. The country also boasts some of the highest internet speeds in the world, ranking #1 for mobile internet speed with average speeds of 134.5 Mbps. UAE residents also rank 10<sup>th</sup> in the world for time spent on the internet across all devices, at 8 hours and 36 minutes on average. This all paints a picture of an ideal testing lab for digital entrepreneurs around the world. Think about it. Here is a young, wealthy and digitally-savvy population of 10 million, hailing from 200 countries around the world, all accessible in one place to test out digital consumer applications.



INTERNET PENETRATION GROWTH BENCHMARK (% 2012-2020)



	Internet Penetration Rate (2020)	CAGR (2012 - 2020)
UAE	99%	2.1%
KSA	98%	7.7%
Canada	97%	2.0%
UK	95%	1.0%
USA	90%	2.4%
Germany	90%	1.1%
Japan	90%	1.6%
Malaysia	90%	4.0%
France	85%	0.5%
Turkey	78%	7.1%

Source: World Bank, Lucidity Insights Research & Analysis

Dubai has managed to develop a world-class ICT infrastructure with the top global operators in the market. Federal ICT law requires that Dubai is operating on one nationwide ICT infrastructure, with telecommunications served by the two national providers: Etisalat and Du. The Telecom operators have been at the forefront of rolling out AI and blockchain initiatives, and is central to the continued leadership of Dubai and the United Arab Emirates in our digital economy. Dubai has largely completed its "Smart

Dubai 2021 Strategy" which worked towards making Dubai an increasingly smart city. This required full ICT enablement across critical infrastructure in Dubai to boost efficiency and resilience, and a number of initiatives to make the city more digitally connected and "smarter". It also gave birth to complimentary initiatives and strategies such as the "Dubai Cyber Security Strategy", "Dubai Autonomous Vehicle Strategy" and "Dubai Internet of Things Strategy".









Source: Telecommunications and Digital Government Regulatory Authority (TDRA)

The UAE is also the only country in the world to have its social media engagement rate reach over 100%. The country is also home to gamers and crypto-heads, with 90% of the population claiming to play video games, and 11.4% of the population owning cryptocurrencies. 26.4% of the population has also participated in telemedicine. The UAE also ranks 9<sup>th</sup> globally in terms of e-Commerce penetration; average annual per capita digital spending is \$3,775 USD, double that of the global average. 59% of UAE residents buy consumer

needs online on a weekly basis, and 33.4% of UAE residents shop online for food and groceries. The UAE also boasts a population with 103% debit card circulation, 89% credit card circulation, and a tech savvy banking industry that has supported more than 90% of the population to not just bank online, but participate in mobile banking since 2019. In June 2022, Dubai announced that it would be opening its first Open Finance Lab, to help educate banks, regulators and the industry on open finance and related fintech applications.



# DUBAI'S GLOBAL DIGITAL ECONOMY AMBITIONS

Dubai has been working hard to transform the city from a regional heavyweight to become a global digital economy capital and tech hub. Roughly half of the US \$2.87 billion in VC investments raised across the MENA region (excluding Israel) flowed into the UAE in 2021, with the majority going to Dubai-based start-ups. 96% of all funds raised in the UAE in the past 5 ½ years since 2017, were raised by start-ups headquartered in Dubai. Having established itself as a regional heavyweight as a tech hub and thriving tech ecosystem, Dubai is now setting out to become a global digital economy leader, attempting to become a hub for the next wave of technology companies, be it in blockchain, crypto and digital assets, or the metaverse. It's initiatives being rolled out are as strategic as they are ambitious. Get a glimpse of what's on the horizon for the next phase of Dubai's Digital Economy.





## A UNIFIED NATIONAL DIGITAL ECONOMY VISION

As the United Arab Emirates celebrated its Golden Jubilee and 50<sup>th</sup> Anniversary as a Nation in 2021, it released “Principles of the 50: The UAE’s Principles for the Next 50 Years”. The 10 principles outlined, aims to act as a guideline for all

government, academic and scientific institutions in the UAE, as it looks to become a major world leader. In summary, the principles are as follows:

1<sup>st</sup>

The major priority shall be the strengthening of the union

2<sup>nd</sup>

To completely focus, over the upcoming period, on building the best and most dynamic economy in the world.

3<sup>rd</sup>

The UAE’s foreign policy is a tool that aims to serve the higher national goals, the most important of which is the UAE’s economic interests.

4<sup>th</sup>

The main future driver for growth is human capital. Developing the education system, attracting talents, retaining specialists and continuously building skills are what shall keep the UAE at the top.

5<sup>th</sup>

Good neighborliness is the basis of stability.

6<sup>th</sup>

Cementing the reputation of the UAE globally as one nation is a national mission for all institutions; the UAE is one economic destination, one tourist destination, one industrial destination, one investment destination and one cultural destination.

7<sup>th</sup>

The digital, technical, and scientific excellent of the UAE will define its new development and economic frontiers, and the solidification of its position as a capital for talent, companies and investments in these sectors will make it a capital of the future.

8<sup>th</sup>

The value system in the UAE shall remain based on openness and tolerance.

9<sup>th</sup>

The UAE’s foreign humanitarian aid is an essential part of its own vision and moral duty.

10<sup>th</sup>

Calling for peace and harmony.

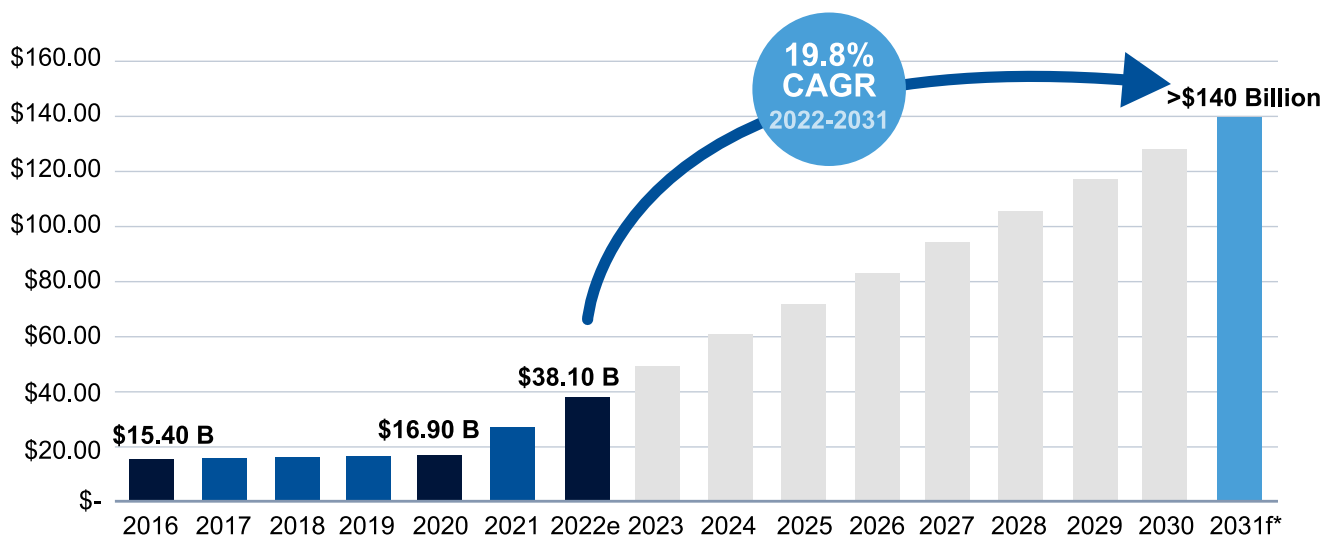
For more details on the Principles of the 50 go to <https://u.ae/en/about-the-uae/initiatives-of-the-next-50/the-principles-of-the-50>

It is clear from these 10 principles, that the UAE aims to unify and consolidate all of its Emirates' efforts to collaborate on achieving, first and foremost, global economic dominance. It is also crystal clear that the country's leadership believes that digital, technical and scientific excellence must underpin efforts for economic dominance, while working to attract and retain top tech talent from around the world. It is from this perspective that both federal and local initiatives have been launched. Also in line with these principles, the UAE Cabinet was updated to include new offices, such as the Minister of State for Artificial Intelligence, Digital Economy and Remote Work Applications (established in 2017 and expanded to include Digital Economy & Remote Work in 2020), the Ministry of Industry and Advanced Technology (established

in Dubai in 2020), and the Ministry of State for Government Development and the Future (established in Dubai in 2021).

Specifically with regards to developing a digital economy, the government launched the UAE's Digital Economy Strategy, which aims to double the contribution of the digital economy to the UAE's GDP from 9.7% to over 20% by 2031. This would mean that the UAE's digital economy today is roughly valued at over US \$38 billion. By 2031, the national digital economy is expected to be conservatively valued at well over US \$140 billion. A PwC report published in 2018 forecasted that the UAE's Artificial Intelligence (AI) industry alone would contribute \$96 billion to the economy (13.6% of GDP) by 2030.

#### THE UAE'S DIGITAL ECONOMY CONTRIBUTIONS TO GDP (USD BILLIONS)



Source: Lucidity Insights Research & Analysis



Note: UAE's 2031 Target is to achieve >20% of non-oil GDP coming from the digital economy. We have taken 2021 non-oil GDP percentage of total to be the same 72.3% as was the distribution in 2022, and a conservative future forecast of 2031 UAE GDP to be \$706 billion.

The National Digital Economy Strategy seeks to enhance the position of the UAE as a hub for the digital economy in both the region and the world. The strategy defines priorities of digital economy and ensures the contribution of all other economic sectors to support it. It includes more than 30

initiatives and programs targeting 6 sectors and 5 new areas of growth. The country has also established a Council for Digital Economy to support these goals, and to enhance implementation of these initiatives.

# TIMELINE OF THE EVOLUTION OF DUBAI'S DIGITAL ECONOMY

2017

- Dubai's AI Strategy & the AI Lab is launched.
- Souq.com acquired by Amazon 
- Fintech Hive, the first Fintech accelerator in MENA is launched in Dubai  


2016

- Establishment of the Dubai Future Foundation, focused on making Dubai a Leading City of the Future.  

- Dubai launches the **Dubai Blockchain Strategy**, to become the blockchain capital of the world by 2021


2015

- Launch of the FedNet, a common digital infrastructure for the UAE government

2013

- UAE launches federal smart government initiative (mobile government)


2018


- Launch of UAEPass, first national digital identity and security solution  


2019

- Golden Visa Scheme launched by UAE government. 100,000 golden visas earmarked for coders and advanced technology talents to contribute to the digital economy
- UAE Regulations Lab created to issue licenses and act as a sandbox to test future technologies like AI

2020

- Careem is acquired by Uber in a landmark \$3.1 billion deal, cementing its unicorn status.  


- Parent company of Dubizzle and Bayut.com - EMPG reaches unicorn status.  


1983



January 1, 1983 is the official birthday of the internet

1985



UAE gets services supported by fiber optic network



1995



Internet becomes available in the UAE

1999



Establishment of Dubai Internet City



2011



Mohammed bin Rashid Smart Learning Program Launched across schools

2005



Some of Dubai's first dot-com companies are formed including Dublizzle, Souq.com and PropertyFinder.ae



2001



E-Dirham becomes the first e-payment service in the country

2000



Dubai becomes first e-government in Middle East with launch of Dubai.ae

2021



- Dubai becomes the first government to go 100% paperless, after it's completion of various phases of digital transformation
- Dubai Digital Authority formed upon launch of **Dubai's Digital Economy Strategy**.
- Dubai Chamber of Digital Economy established under the umbrella of Dubai Chambers to support the growth of digital companies in Dubai
- Dubai Future District Fund launched, Dubai's own AED 1 billion Fund of funds.



2022



- The UAE Green Visa is launched; giving professionals the ability to sponsor themselves and obtain residency
- Dubai rolls out new Legislation regulating Virtual Assets; issues first licenses to crypto companies
- Binance moves operations to Dubai and is awarded a virtual asset license
- **Dubai Metaverse Strategy** launched







## DUBAI AS A DIGITAL ECONOMY CAPITAL OF THE WORLD

Dubai has been a significant contributor to the country's digital economy since the early 2000's. In fact, Dubai's Internet City was founded in 1999, and is now home to the regional headquarters of the first wave of global tech giants like Google, Microsoft, Oracle, SAP, and Facebook. It was also the 2000's when many of the first movers and shakers of Dubai's digital economy like e-commerce player Souq.com (est. 2005, acquired by Amazon), e-classifieds player Dubizzle.com (est. 2005, acquired by Naspers, now under EMPG), and online real-estate marketplaces like PropertyFinder (est. 2005) and Bayut.com (est. 2008, now under EMPG) were all born at this time. The second generation of major Dubai growth stories and exits in the 2010's included ride-hailing app Careem (est. 2012, acquired by Uber for \$3.1 billion), children's e-commerce player MumzWorld (est. 2011, acquired 2021), grocery-on-demand app Instashop (est. 2015, acquired by DeliveryHero), and cloud-kitchen player Kitopi (est. 2018, raised \$804 million, unicorn valuation).

And if the start-ups were not born and first established in Dubai, there are countless more that have moved their global headquarters to Dubai; look no further than players like Swvl (est. 2017 in Egypt, unicorn valuation), Telegram (est. 2013 in UK, unicorn valuation), and Binance (est. 2017, unicorn valuation) to illustrate the pull-factor of Dubai's digital

economy ecosystem. A favorable business climate, ease of doing business predominantly in English, zero corporate and income tax, strong access to capital, supportive government infrastructure and willingness to support digital enterprise, and Dubai's high quality of life which helps in attracting and retaining top talent for these digital economy players are just some of the reasons cited for the relocation. It's little wonder why the UAE is slated to attract the largest number of millionaires in the world this year; the Henley Global Citizens Report has projected that 4,000 millionaires will migrate to Dubai in 2022 alone.

And it is exactly this talent and this capital that Dubai is seeking to continue feeding its digital economy ecosystem. The initial Dubai-based start-up successes are now seeding the ecosystem with a strong pool of seasoned talent that are now launching their own venture capital funds or start-ups. Millionaires relocating to Dubai are investing in or funding and launching their own digital economy companies in the market. Ambitious founders from around the region are moving to Dubai looking for capital, talent, and forward-thinking regulatory environments. It's an ecosystem that is continually feeding itself, where one success spawns several other successes over time; this is the nature of advancements in technology and economies. Despite many private and government-backed investors newly setting up shop in



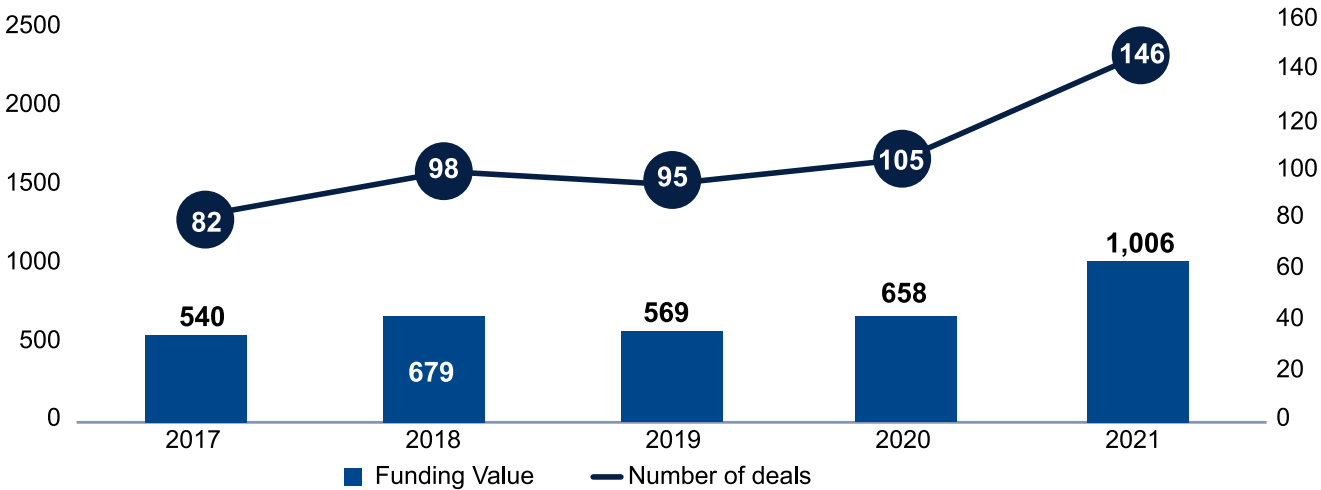
neighboring markets with serious capital to spend on the development of their own digital economy ecosystems, Dubai remains the first choice for international entrepreneurs, investors and techies to settle down in. The deal flow speaks for itself; more than half (58%) of all Arab world funding (MENA ex. Israel) happens in this city. Furthermore, 96% of all start-up funding that came into the country over the past 5 years (2017 to 2022 H1) went to tech start-ups headquartered in Dubai. Based only on publicly disclosed figures, this amounted to over US \$5.2 billion entering the Dubai digital ecosystem since 2017. Dubai-based start-ups have even begun to attract some of the most prominent international names in venture capital, such as Sequoia Capital and Softbank Group.

The UAE leaped to the number one position this year in the Global Entrepreneurship Monitor's (GEM) Global Entrepreneurship Index (2022), out of 46 other economies. Dubai's leadership in the Arab world is clear, but it is setting its sights for global domination. If Dubai-based start-ups are raising just over \$1 billion in funding each year today, it expects to be able to follow in Israel's example - a comparable market in population and size - where start-ups headquartered in Israel have collectively managed to raise approximately \$2.4 billion in 2017 to \$4.8 billion in 2020 and an extraordinary \$13.1 billion in 2021.

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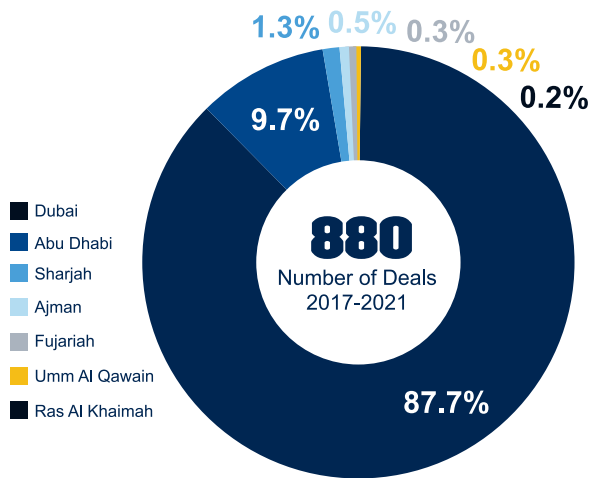
**58% of all Arab world VC funding (MENA ex. Israel) happens in this city. Dubai is the first choice for investors, entrepreneurs and start-up founders, tech talent and futurists.**

DUBAI NUMBER OF DEALS AND FUNDING VALUE (USD MILLIONS) 2017-2021

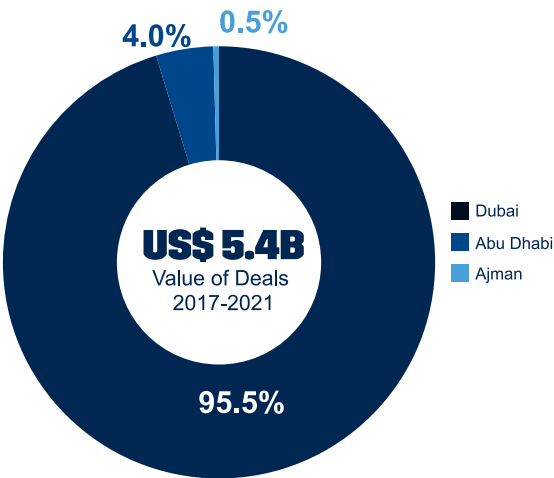


Source: Crunchbase, Lucidity Insights Research & Analysis

NUMBER OF DEALS 2017-2021



VALUE OF DEALS 2017-2021



Source: Crunchbase, Lucidity Insights Research & Analysis








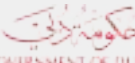






In order to help manage and guide Dubai's multiple stakeholders tasked with advancing Dubai's Digital Economy, the Emirate has launched its own Higher Committee for Future Technology and Digital Economy, chaired by Dubai's Crown Prince, Sheikh Hamdan bin Mohammed. The Committee includes the heads of Dubai Chamber of Digital Economy, Dubai Digital Authority, Dubai Future Foundation, Dubai Development Authority, Dubai International Finance Centre, and the Dubai Department of Economy and Tourism. The aim of the body will be to promote Dubai's leadership position in the global digital economy, and enhance Dubai's position as a global birthplace and research laboratory for future technologies. As Dubai sets its sights on becoming the Digital Economy capital of the world, Dubai also aims to become one of the top 10 metaverse and cryptocurrency economies in the world. Dubai has already been crowned the world's blockchain capital after the government successfully integrated blockchain applications into its operations.





# DUBAI'S DIGITAL ECONOMY ECOSYSTEM

## Key Stakeholders, Drivers, Strategies & Targets

<div>FEDERAL LEVEL</div>  <p>UNITED ARAB EMIRATES THE CABINET</p>	<div>KEY STAKEHOLDERS</div> <div>  UNITED ARAB EMIRATES MINISTRY OF ECONOMY            UNITED ARAB EMIRATES MINISTER OF STATE FOR ARTIFICIAL INTELLIGENCE, DIGITAL ECONOMY &amp; REMOTE WORK APPLICATIONS OFFICE            UNITED ARAB EMIRATES MINISTER OF STATE FOR GOVERNMENT DEVELOPMENT &amp; THE FUTURE OF CITIES         </div> <div>  UNITED ARAB EMIRATES MINISTRY OF EDUCATION &amp; ADVANCED TECHNOLOGY            TDR            UNITED ARAB EMIRATES MINISTRY OF COMMUNICATIONS AND DIGITAL GOVERNMENT REGULATION AUTHORITY         </div> <div>KEY FEDERAL STRATEGIES &amp; GUIDING PRINCIPLES</div> <div> <div>UAE Centennial 2071</div> <div>UAE 10 Principles for Next 50 Years</div> <div>Fourth Industrial Revolution Strategy</div> <div>UAE Digital Economy Strategy</div> <div>UAE Strategy for Artificial Intelligence</div> <div>Emirates Blockchain Strategy</div> </div> <div>KEY OVERSIGHT COMMITTEE: UAE Digital Economy Council</div> <div>KEY PERFORMANCE INDICATOR &amp; TARGET OUTCOME:</div> <ul style="list-style-type: none"> <li>• Double Digital Economy Contribution to 20% of National GDP by 2031</li> <li>• Establish 20 Unicorns (Start-ups valued over \$1 Billion) in The UAE by 2031</li> <li>• To Become a Leading Global Hub for 4th Industrial Revolution Applications (Physical Technology, Digital Technology, and Biotechnology)</li> </ul>
<div>DUBAI EMIRATE</div>  <p>GOVERNMENT OF DUBAI</p>	<div>KEY STAKEHOLDERS</div> <div>  DUBAI CHAMBER            DIGITAL DUBAI            DUBAI DEVELOPMENT AUTHORITY            DUBAI INTERNATIONAL FINANCIAL CENTRE            DUBAI FUTURE FOUNDATION            DUBAI         </div> <div>KEY EMIRATE LEVEL STRATEGIES &amp; GUIDING PRINCIPLES</div> <div> <div>Dubai Digital Economy Strategy</div> <div>Dubai Blockchain Strategy</div> <div>Dubai Metaverse Strategy</div> </div> <div>KEY OVERSIGHT COMMITTEE: Dubai Higher Committee of Future Technology &amp; Digital Economy</div> <div>KEY PERFORMANCE INDICATOR &amp; TARGET OUTCOME:</div> <ul style="list-style-type: none"> <li>• Become The Digital Economy Capital of The World</li> <li>• Become One of The Top 10 Metaverse Economies in The World</li> <li>• Become The Blockchain Capital of The World</li> <li>• Launch or Attract 300+ New Digital Economy Start-ups by 2024</li> <li>• Attract 100 International Experts in Advanced Technologies to Dubai by 2024</li> <li>• Transfer Operations of 10 Large International Advanced Tech Companies to Dubai</li> <li>• Host a Global Digital Economy Conference in Dubai</li> </ul>

Source: Lucidity Insights Research



## KEY STAKEHOLDERS & DIGITAL ECONOMY DRIVERS



UNITED ARAB EMIRATES  
MINISTER OF STATE FOR ARTIFICIAL INTELLIGENCE,  
DIGITAL ECONOMY & REMOTE WORK APPLICATIONS OFFICE

### UAE MINISTRY OF ARTIFICIAL INTELLIGENCE, DIGITAL ECONOMY & REMOTE WORK APPLICATIONS

The UAE Cabinet launched the Ministry of Artificial Intelligence (AI) in 2017, led by His Excellency Omar Al Olama; this role was expanded to include the Digital Economy and Remote Work Applications in 2020.

The Ministry is the owner and driver of the UAE Digital Economy Strategy, which seeks to double the digital economy contribution to the national non-oil GDP to 20% by 2031.

- Distributing 100,000 Golden Visas to coders, software engineers, tech entrepreneurs, and advanced technology experts. Apply. [here](#)
- Supporting the creation of 1000 digital companies
- Creation of 100 coding challenges, 10 local and 1 global hackathons
- Provide 500 digital economy internship opportunities
- Ensuring coding programs are introduced to education curriculums
- UAE Council for AI & Blockchain

Find out more at <https://ai.gov.ae/digital-economy/>



### DUBAI CHAMBER OF DIGITAL ECONOMY

The Dubai Chamber was strategically split into 3 different chambers in 2021; one each to focus on the Digital Economy, International Trade, and Commerce. The Dubai Chamber of Digital Economy was set-up to support the growth of the digital economy ecosystem in Dubai by:

- Promoting Dubai as an International Hub for Digital Economy
- Accelerating efforts to create the best digital infrastructure in Dubai
- Supporting the development of digital legislation in Dubai & the UAE
- Supporting the needs of digital economy companies in Dubai

The Chamber's 2024 Strategic Objectives include:

- Attracting 300+ new digital start-ups to Dubai
- Attracting 100 international experts in the field of advanced technologies and providing the necessary R&D facilities
- Transferring major operations of 10 large international advanced technology companies to Dubai
- Host a global conference on the new digital economy

Find out more at [www.dubaichamberdigital.com](http://www.dubaichamberdigital.com)



## DIGITAL DUBAI AUTHORITY

Digital Dubai was established in June 2021 to develop and oversee the implementation of policies and strategies that govern all matters related to Dubai's information technology, data, digital transformation, and cyber-security. Digital Dubai brings together the expertise of four entities – Dubai Electronic Security Centre, Dubai Statistics Center, Dubai Data Establishment and Smart Dubai Government Establishment – to ensure the city collaboratively achieves the vision of the city's leadership to make Dubai a globally leading digital economy. Digital Dubai's vision is to digitize all aspects of life in Dubai, not just Dubai's government services.

Digital Dubai's objectives are four-fold:

1. Accelerate Digital Transformation through Partnerships
2. Increase Emirate's Digital Economy contributions to the city's GDP
3. Build and develop digital competencies and national talent
4. Maintain Dubai's digital wealth + accelerate cybersecurity efforts

Digital Dubai's initiatives include:

- Dubai's Paperless Strategy (Dubai government went paperless in 2021, eliminating 1 billion pieces of paper)
- DataFirst, accelerating the collection of city-wide data
- Dubai Blockchain Strategy and Future Blockchain Summit
- Dubai Happiness Agenda
- Dubai's first AI Lab

Read more about our initiatives at [www.digitaldubai.ae](http://www.digitaldubai.ae)



## DUBAI FUTURE FOUNDATION

Dubai Future Foundations was established in 2016 to collectively imagine, inspire and design Dubai's future, and make Dubai a leading city of the future. The foundation is responsible for five mandates:

- Research to provide Insight to the Future (Dubai Future Councils)
- Content & Knowledge Dissemination (Dubai Future Talks)
- Capacity Building (One Million Arab Coders)
- Facilitate Future Design & Acceleration (AREA 2071, Dubai 10X)
- Provide Future Experiences (Museum of the Future)

Learn more about our initiatives at [www.dubaifuture.ae](http://www.dubaifuture.ae)



## SPOTLIGHT | DUBAI CHAMBER OF DIGITAL ECONOMY

غرفة دبي  
DUBAI CHAMBER  
الرقمية DIGITAL

## DUBAI CHAMBERS ROLE IN THE DEVELOPMENT OF THE EMIRATE'S DIGITAL ECONOMY



The Dubai Chamber of Digital Economy (DCDE) is one of three independent chambers operating under the umbrella of Dubai Chambers. In recent years, the Dubai Chambers has restructured and rebranded its three chambers, namely Dubai Chamber of Commerce, Dubai International Chamber, and Dubai Chamber of Digital Economy – each of which have their own individual brands, strategies and specialized approach.

The Dubai Chamber of Digital Economy was created to build the world's best digital infrastructure and transform Dubai into an international technology hub, and support the interests of technology and digital economy companies in the Emirate. It is just one more way in which Dubai is showing its multi-stakeholder driven, concerted effort towards Dubai's vision of becoming the digital economy capital of the world. As the city, known already for being the Blockchain capital of the world, sets its sights on becoming a global destination for digital entrepreneurs, crypto-heads, and metaverse techies – it seems they've also dedicated an entire Chamber to the cause.

The Dubai Chamber of Commerce is one of the largest chambers of commerce in the world with nearly 300,000 members, and is still growing. In the first quarter of 2022, over 10,000 companies joined the Chamber. The Dubai Chamber of Digital Economy expects to emulate the successes

achieved by its parent Chamber, focusing solely on the development of Dubai's Digital Economy. Dubai Chamber of Digital Economy's strategy for 2022-2024 focuses primarily on attracting leading tech companies, startups and scaleups that can support Dubai's digital ambitions. The chamber's plans include, but are not limited to:

- Attracting 300 digital startups to Dubai within the next two years
- Attracting 100 international experts in the field of advanced technologies
- Improvements and changes to laws and policies that would support the growth of the digital economy
- Organizing an international conference on the new digital economy
- Promoting digital transformation across national companies
- Enhancing the business environment to attract global digital firms

With the aim of making the UAE the best country in the world by 2071, His Excellency, Abdul Aziz Al Ghurair,



**His Excellency Abdul Aziz Al Ghurair**  
Chairman, Dubai Chambers

Chairman of Dubai Chambers, has adopted its new 2022-24 strategy aligning with Dubai's new vision and plan to drive the UAE's sustainable economic growth over the next 50 years. Much of the strategic initiatives within the two-year strategy was conceived at the Dubai Digital Economy Retreat which was organized by the DCDE in 2021. The retreat, which was attended by relevant Ministers, deputies, private and public sector entities, concluded with several practical recommendations to address existing challenges in the market. Some of the discussions highlighted the cost for start-ups operating in the sector, how to encourage more digital start-ups to establish themselves in Dubai, how to ensure enhancement of investments in growing these businesses, widening the acceptance of e-commerce payments and removing barriers of entry and enhancing quality of services operating in this space. Many of these discussions required honest dialogue between the private and public sector entities, in order to come-up with collaborative solutions to support the overall vision of Dubai becoming the Digital Economy capital of the world.

The Dubai Chamber of Digital Economy plans on continuing to play this central role in bringing the private sector and public sector to the table to discuss key issues. In August 2022, the DCDE announced the Dubai Digital Assets Business Group (D2A2), which will play a central role bringing all the

main digital assets companies and stakeholders to the table to discuss recommendations for legislation, among other things.

Earlier this summer, the Chamber also kicked-off a new roadshow series to entice global scale-ups to Dubai and support the development of Dubai's digital economy. In collaboration with GITEX – an annual consumer, computer and electronics trade show in Dubai which attracts 150,000 attendees each year – the first roadshow was held in Ethiopia and Kenya, wherein a delegation from the Chamber met with 20 up-and-coming African scaleups focused on advanced tech and digital business solutions spanning various sectors such as fintech, healthtech, mobility, agtech and ecommerce. The series is continuing with several events in Europe and India.

There is much work to be done, but it seems the strategic initiatives are well underway for the DCDE. As can be summed up in the words of Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai and Chairman of Dubai Executive Council, "The Dubai Chambers have played a significant role in Dubai's economic development. Today, we look forward to maximize this role in the field of digital economy, technical investments, and building new global economic opportunities."

# 10 THINGS TO KNOW ABOUT DUBAI'S DIGITAL ECONOMY AMBITIONS



Though much of the groundwork is still being laid-out in terms of what is to be done in the coming 10 years for Dubai to become the global digital economy hub; there are some

elements, targets and strategic priorities that Dubai has made very clear. Here are ten interesting things to know about Dubai's digital economy ambitions:

## 1 The United Arab Emirates intends to double its digital economy contribution to the national GDP from 9.7% (2022) to over 20% by 2031.

There exists both a Federal-level and a Dubai Emirate-level Digital Economy Strategy, and oversight committees at both levels as well. The strategy clearly indicates the country's ambitions for Dubai to become the leading Digital Economy hub in the world. Dubai's ambitions include attracting 300+ new digital businesses to Dubai by the end of 2024, being home to over 20 unicorns by 2030, and having a digital economy worth well over US \$100 billion annually by 2031.

## 2 Dubai aims to support 40,000 virtual jobs by 2030.

To support this ambition, Dubai has created remote work visas, which are work permits that allow individuals to work virtually from Dubai. Dubai was ranked 2<sup>nd</sup> among 75 cities in 2021 for remote work, and 2<sup>nd</sup> fastest growing remote work or digital nomad hub.

## 3 The UAE has set a target for itself to achieve the highest number of coders per capita in the world.

Attracting, developing and retaining top tech talent is fundamental to the success of the country and Dubai's digital economy ambitions. Various programs to train local and international coders have been launched, including the National Program for Coders, CodersHQ, One Million Arab Coders, and various graduate and post-graduate level AI programs at local universities – to name but a few. To attract top talent from around the world, the UAE has set aside 100,000 golden visas specifically for coders and advanced technology experts to relocate to the Emirates. Golden visas are a coveted 10-year visa that allows holders access to the UAE. The UAE Green Visa program provides a five-year residency for skilled employees, without a sponsor or employer in the country; this visa is ideal for freelancers, investors and digital nomads, so long as they can account for a minimum AED 15,000 salary.



## 4 The UAE was the first country in the world to appoint a Minister of Artificial Intelligence (AI) in 2016.

That Ministry has expanded to include Digital Economy and Remote Work Applications within its remit. The UAE sees AI as integral to its Centennial 2071 ambitions, and has forecasted that strong adoption of AI would help boost the UAE's GDP by up to 35% and reduce government costs by 50%. As for Dubai, the city views AI as its biggest future asset towards becoming the happiest city on Earth. The belief is that as touchpoints and services across the city become increasingly frictionless and seamless, citizen and customer happiness is inevitable. Today, 90% of Dubai's government services are digitized and available online. Smart Dubai partnered with IBM to develop a government-wide AI Roadmap in 2017, and subsequently launched AI Lab. The AI Lab has been working across government entities to transform these digital government services into AI-enabled services. One such example is AI-enabled "Saad", which is a government service allowing individuals to ask Saad various questions around business licensing procedures in the Emirate.

## 5 Dubai has already been crowned the blockchain capital of the world,

after launching and executing its Dubai Blockchain Strategy in 2016, and becoming the first city to be fully powered by blockchain. The Dubai government has integrated many processes onto the blockchain, in an effort to save billions of dollars in annual operating costs just by streamlining document processing times. So far activities such as making digital payments for government services, verifying real estate title deeds, licensing healthcare professionals through the Dubai Health Authority, and automating Dubai Customs' supply chain procedures have all been implemented onto Dubai's own blockchain technology. Adopting blockchain technologies has been a major enabler to the government of Dubai digitizing 100% of its >10,000 types of internal and external transactions, allowing Dubai to become a 100% paperless government in 2021. The government has also launched a Blockchain-as-a-Service (BaaS) offering to streamline the ability for all entities to adopt blockchain technology faster within their projects, without the need for blockchain specialists. The government also launched the Global Blockchain Council in 2016, which constitutes 32 government entities and some of the world's biggest tech giants such as Microsoft, SAP and Cisco to work on blockchain applications across Dubai.

## 6 Dubai aims to become a world hub for Cryptocurrency and Digital Assets.

In 2022, the UAE launched the Virtual Assets Regulatory Authority (VARA) which rolled out new legislation aimed at making Dubai the global center for crypto-assets and related industries such as the metaverse. The Dubai Chamber of Digital Economy has launched a Digital Assets Business Group to convene major stakeholders in the industry that will help guide and support the development of the industry and help to develop legislative and regulatory proposals. Major global crypto players such as Binance, Crypto.com and Bybit have all already moved their leadership to Dubai, favoring the country's 'light touch' approach to regulation. Over 11% of UAE residents also own cryptocurrencies, placing the country in the top 10 countries worldwide for cryptocurrency adoption. This may also be the reason why many UAE companies have begun accepting cryptocurrency as a form of payment for everything from groceries to real estate.

## 7 Dubai launched the Dubai Metaverse Strategy in 2022 with the ambition of Dubai becoming one of the top 10 metaverse economies and hubs in the world.

The strategy aims at attracting more than 1,000 blockchain and metaverse companies to Dubai to develop Web3 technology and its applications for Dubai. The strategy focuses on the development of extended reality, augmented reality, virtual reality, and mixed reality applications, and to lay the groundwork for some of the securest metaverse infrastructure and regulations in the world which will in turn help to accelerate the adoption of these technologies.





## 8 Dubai is moving onto the next phase of maturity, which is to move beyond digitizing all Dubai government services, to digitizing all aspects of life in Dubai

The Dubai Digital Authority, more commonly referred to as Digital Dubai, was established in 2021 precisely for that reason. It brings together the expertise of four government entities: Dubai Electronic Security Centre, Dubai Statistics Center, Dubai Data Establishment, Smart Dubai Government Establishment with the key task of digitizing life in Dubai while accelerating cybersecurity efforts.

## 9 Dubai is taking future-proofing the city and the country seriously.

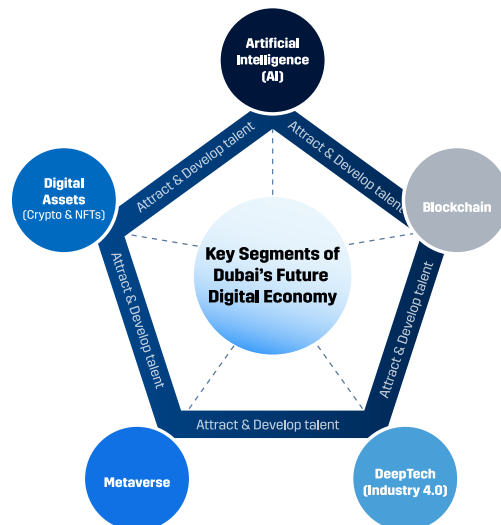
Dubai Future Foundation, Museum of the Future, Dubai Future Labs, and initiatives like 10X are all working towards researching, designing and implementing strategies and projects to make Dubai the best city in the future, planning 10 years ahead. The Dubai Future Foundation is tasked with creating a cohesive innovation ecosystem dedicated to designing the future; this ecosystem includes think tanks, accelerator programs, incubators, labs, regulatory sandboxes, and knowledge platforms.



## 10 Innovation and advanced technologies is the name of the game in Dubai, which has already announced plans for autonomous vehicles, 3D printing construction, Hyperloops, and electric skypod networks.

Dubai's 3D Printing Strategy will require 25% of all construction of buildings to use 3D Printing technology. Dubai's Autonomous Transportation Strategy aims to transform 25% of all trips in Dubai to become driverless; as part of that initiative Dubai plans to build a skypod network that will allow aerial passenger traffic traveling at speeds of 50km/hr. Meanwhile, expect the Virgin Hyperloop to help send cargo between Abu Dhabi and Dubai in just 12 minutes; after the hyperloop irons out its kinks on cargo, passenger pod hyperloops may soon follow suit.

### KEY STRATEGIC FOCUS AREAS FOR DUBAI'S FUTURE DIGITAL ECONOMY



Source: Lucidity Insights Research & Analysis





SPOTLIGHT | DUBAI FUTURE FOUNDATION

## IN CONVERSATION WITH DUBAI FUTURE FOUNDATION

**Spokesperson:** Khalfan Belhoul, CEO of Dubai Future Foundation



### What is the role of Dubai Future Foundation in developing Dubai as a great place to live and work?

His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai once said: “The future belongs to those who can imagine, design and execute it. It is not something you await, but rather create.” This sums up what we do. We imagine, inspire and design Dubai’s future in collaboration with our public and private sector partners.

We instill forward-thinking mindset across Dubai through foresight, capacity building, knowledge sharing, global collaborations and innovative initiatives and projects that enable Dubai to become the leading city of the future. We keep one step ahead of the fast-paced advances in technologies and innovation system.

We build an innovation ecosystem to design a future-ready city powered by well-equipped future leaders and disrupters. Our research is a source of insights on the possible future scenarios for Dubai and the world. Moreover, we encourage

the testing of new ideas by providing agile regulations that enable innovation and startups to thrive.

In short, we are aware of the need to remain agile and resilient, and to be ready to capture the opportunities that the future brings to the table and transform any future challenges into valuable opportunities.

The most important point that will make Dubai one of the most future-proof cities in the world, is to maintain a balance between its heritage and modernity. This unique blend makes the city one of the best places to live and work in the world. Dubai’s population is expected to grow to 5.8 million within the next two decades compared to its current population of 3.3 million.

### Why is Dubai a great place to work?

Dubai is one of the globe’s most connected cities and one of the world’s leading cities for business – whether that be for SMEs, startups, large-scale companies to homegrown businesses or entrepreneurs starting their business venture.



With its forward-thinking focus, the emirate fosters an ecosystem of collaborative innovation and future-proofed business models.

The city boasts a thriving network of startup incubators and accelerators, as well as regulatory sandbox schemes for the development and testing of new tech business models.

Dubai ranks first globally in attracting foreign direct investments (FDIs) for AI and robotics in the global Smart Service Index.

Dubai Future Labs (DFL) runs state of the art Robotics and AI applied research projects. The DFL identifies critical local and global industry challenges and technological gaps in key sectors and develops Robotics and AI programs to fill these gaps with global and commercially viable solutions, services, and systems.

Currently, SMEs account for 95% of the enterprise population in Dubai and are responsible for 43% of the total workforce and 40% of the total value added in the emirate.

Dubai Future Foundation programs connect government entities with leading startups, ideators, researchers, and entrepreneurs to create a thriving business hub that collectively makes Dubai the best destination for business and investment.

### **How is Dubai Future Foundation addressing the future of work and creating opportunities for Dubai and the region?**

The world of work is dramatically changing with disruptive transformations that forced companies and governments to re-evaluate several aspects of work and focus on innovation. A lot of plans, ideas and projects that were considered too ambitious before the pandemic, suddenly became essential for our survival.

Companies are rethinking 'Productivity' through 'Efficiency' with the use of advanced technology. In other words, Covid-19 crisis accelerated existing trends, such as remote work, virtual transactions, and adoption of automation and Artificial Intelligence, in addition to unlocking the potential of the



## SPOTLIGHT | DUBAI FUTURE FOUNDATION

metaverse game-changing and totally new virtual world that can change the world as we know today.

Telemedicine, virtual schooling and learning, e-commerce (eruption) are examples of how business can thrive beyond the business-as-usual models, and how agile business models are key for business continuity.

Work will witness new HR policies and systems, comprehensive changes to business models and workplace concepts with a focus on productivity and efficiency unlocking the power of data and new disruptive technologies.

This will have greater impact on the global mix of jobs than what was estimated before the pandemic. Some jobs will be lost, and many others created. For instance, the newly launched Dubai Metaverse Strategy that targets supporting as many as 40,000 additional virtual jobs, adding USD 4 billion to the city's GDP, and increasing the number of blockchain companies by

five times in five years. Dubai is already home to over 1,000 companies in the metaverse and blockchain sector, which contributes USD 500 million to the national economy.

Reports say there is a 25% increase of workers who need to switch occupations compared to the pre-pandemic estimations, and that jobs with the highest physical proximity are likely to be the most disrupted.

Because growth in labour demand is expected to be in high-income jobs, a considerable percentage of workers in areas expected to be of low demand in the future – due to the tremendous shift and new trends – needs to require different skills to remain employed. However, businesses and policymakers can help employees migrating between occupations by providing learning and training opportunities and expanding their digital infrastructure.

One of very own unique ecosystems and dynamic innovation hubs in the

region, AREA 2071 attracts talents and entrepreneurs from around the globe. It is a vibrant innovation space that connects and empowers talent, youth, governments, private sectors, and tech enthusiasts to realise Dubai's vision of becoming a leading city of the future.

To date, 6,377 companies are in AREA 2071's ecosystem representing countries from across the globe. Startups within the ecosystem have managed to raise more than AED 75 million in equity funds and 90% of them have signed contracts in the UAE worth AED 125 million.

Dubai Future Accelerators (DFA) facilitates the dynamic collaboration between startups, private entities and government organisations to work on prespecified challenges relevant to our future. To date, DFA has led to AED 274 million in startups and innovation, AED 1 billion worth of global funding raised by companies, 77 programs, 145 challenges explored, and more than 180 MoUs signed.



Adding on this success, 45 companies have called the UAE their home and established offices in the country resulting in the creation of over 600 jobs. 27% of startups have signed contracts worth 36 million dirhams with Dubai Future Accelerators' partners, while 90% have entered agreements with other entities in the UAE, valued at AED 125 million.

**Is the Dubai Future Foundation, exclusively focused on Dubai, or it goes beyond local and national borders?**

The Dubai Future Foundation aims to not only future-proof Dubai – or even the UAE, but far beyond our own borders, helping drive forward change in the wider region and world by championing positive change for the humanity.

Dubai – known for being a city of the future – is the hub to incubate solutions to tomorrow's challenges that will impact the world.

Dubai Future Research – the Dubai Future Foundation's research arm – produces insights that enable stakeholders to foresee and better navigate the future.

The One Million Arab Coders (OMAC) helped improve digital literacy rates in the Arab youth. More than one million coders have been trained under OMAC, while AED 4.9 million in funding has been awarded.

The Dubai Future Solutions initiative's challenges are open for everyone worldwide with grand prizes up to USD 10 million.

**Can you tell us why, in your opinion, so many entrepreneurs come from around the world to work in Dubai? To work at AREA 2071 or Dubai Future Accelerators? What's unique about the city and its offerings?**

Dubai is reputed as a global hub for entrepreneurship and start-ups and known for its thriving business environment driven by a host of favorable policies and initiatives. This is on top of other attractive business incentives including business-friendly policies, digital life and interconnected ecosystems, business incubators and accelerators programmes, the new visa system including the golden, green and remote work visas, financing and low tax environment, free zones, and many more.

All of these are enhanced by the world-class physical and digital infrastructure, making Dubai the right place for startups and the brightest minds in the world.

At Dubai Future Foundation, AREA 2071 and Dubai Future Accelerators build on that ecosystem by highlighting Dubai as a citywide testbed for innovative technology.

**How is Dubai Future Foundation attracting talent to Dubai?**

By bringing together startups' innovation and agility and the scale of forward-thinking public and private sector organisations.

Dubai Future Foundation plays a pivotal role in cementing the emirate's future workforce through various initiatives.

**How is the Dubai Future Foundation differentiating itself from other players which may have similar initiatives across the country?**

Dubai Future Foundation works in conjunction and collaboration with all the initiatives across Dubai – with the unified goal of propelling the emirate into being a leading city of the world

What makes Dubai Future Foundation unique is that we are the forward-looking arm that maintains the city's position as a testbed for emerging technologies.

Also, what differentiates us from the rest is our workforce. Yes, we are small in numbers, yet we are fierce, disrupters, driven, resilient and agile, and that to me is the secret behind our strength and successes.



**Khalfan Belhoul**  
CEO of Dubai Future Foundation

## SPOTLIGHT | DUBAI DIGITAL ASSET BUSINESS GROUP

equiti

# HOW DUBAI IS ATTEMPTING TO BECOME THE WORLD'S GROUND ZERO FOR BLOCKCHAIN, METAVERSE & VIRTUAL ASSETS



In August, Dubai Chamber of Digital Economy, one of three chambers operating under the umbrella of Dubai Chambers, announced the formation of the Dubai Digital Assets Business Group (D2A2), which aims to strengthen the digital asset industry's role in the economic development of the UAE and the wider Middle East region, enhance digital business infrastructure, and support the growth of digital companies in Dubai.

Digital assets are anything digital that has value and has established ownership. Digital assets then include everything from data, videos, images and photos, written content, and extends to include cryptocurrencies, non-fungible tokens (NFTs), and virtual real estate in the metaverse. D2A2 is expected to focus on everything related to digital assets, from business avenues, legislation, and licensing. In the month after officially announcing its establishment in August 2022, there have been hundreds of potential participants inquiring for membership and wanting to contribute to the development of the digital asset ecosystem in Dubai.

For the Dubai Digital Assets Business Group, there are multiple stakeholders involved, covering key stakeholders in the industry, from the start-ups and companies driving the

industry, as well as key supporters and enablers such as the Dubai Chamber of Digital Economy and the UAE's Virtual Assets Regulatory Authority (VARA). Equiti, a pioneering fintech firm and provider of online trading technology and multi-asset financial products, is also a founding member and member of D2A2's Board of Directors.

We spoke to Iskandar Najjar, Group CEO of Equiti about the role and importance of D2A2 going forward. "We're very excited to be one of the founding fathers and to serve on the Board of Directors for D2A2. The D2A2 group was created to be a communications platform that promotes dialogue between members, companies, and regulators – both within and beyond the digital asset industry. What makes it so important as an industry association is that we are involved in the very early stages of drafting legislation, developing infrastructure, and laying the foundation of digital assets industry from the UAE to the world beyond."

Some estimates put the global digital asset management market size at a value of US\$3.5 billion in 2021, and is estimated to reach \$8.2 billion by 2030, registering a 18% CAGR. Key drivers for this growth can be attributed to the dramatic acceleration in cloud storage adoption, growth

of IoT devices, and consumer desires moving to digitally-enabled interactions and transactions. In the past, digital assets such as data or scanned documents were owned and used by organizations to realize value. However, when new technologies emerged such as blockchain and cryptocurrencies in 2009, digital assets needed to be redefined; this is because in Web 3.0 technologies like tokenization and blockchain, anything in digital form could be tokenized on a blockchain to create value.

This emerging vision of Web3 tends to be a more democratic version than what currently exists in our world. It's centered around the idea of ownership, decentralizing and removing control from the big data companies and other central authorities and handing it to the masses. Blockchain technology, cryptocurrency and NFTs are all built on this premise of being a decentralized tool. Decentralization means internet users can transact peer-to-peer for anything, cutting out intermediaries and middle-men, but also removing power from controlling entities. New technologies such as this can have massive repercussions to an economy, and this is why more and more crypto and Web3 juggernauts are looking to work with governments to co-regulate this new industry. The digital asset legislation is in its infancy around the world, and

is still being formed globally by many regulators, including the Virtual Asset Regulatory Authority (VARA) in the UAE.

With regards to D2A2's role in supporting this, Najjar replied, "D2A2 was designed simply to share the voices of the private sector. We simply believe that everyone's voice should be heard to ensure the credibility around it. We've all seen development and bust cycles for crypto projects, we've seen the periods of volatility and the current "crypto winter". This industry needs to be managed and overseen by stable regulation so that growth can be sustained on a long-term basis. Digital assets are not just cryptocurrencies, but a technology behind a whole plethora of project and services created to transform Traditional Financial Services (TradFi). Digital Assets need to be promoted in the right way to ensure that any efficiencies and gains from technological developments can be managed properly. This is where D2A2 comes in. It's here to help articulate any needs between the private sector, entrepreneurs, and regulators."

Najjar went on to say, "It is fantastic to already have garnered the support of the Dubai Digital Chamber and to know that VARA is open to collaborating with and supporting D2A2."



**"This openness and ability of the UAE's regulators to work so closely with the industry can only support the leading role of the UAE's digital economy sector across the globe."**



## SPOTLIGHT | DUBAI DIGITAL ASSET BUSINESS GROUP

When asked if supporting digital asset management would support the wider digital economy, Najjar responds, “without a doubt. Transforming traditional financial services into digital assets in every form can only bolster economic growth. The foundations that are being built around it are really shaping up to be the best oversight mechanism. The biggest challenges for absorbing digital assets today are investor protection, promoters’ credibility, and regulatory oversight – so merging these elements without hindering innovation will be key for strategic success. In that light, building the foundations of a credible jurisdiction for digital assets will have an extremely direct correlation for the growth of the digital economy as well.”

“It doesn’t surprise me that Dubai has highlighted digital asset management as a key performance indicator for the city. It’s the new internet, Web3. And there is a critical first-mover advantage. Dubai and the UAE are seizing the opportunity to be a leader on the global stage because they know it will have a global impact – not just a regional one. Being at the cusp of that is essential; the wave won’t wait. The UAE’s leadership is incredibly wise to have identified this opportunity, to recognize the need to house it within credible jurisdiction and to have proven that they hold the right temperament to foster a balanced and innovative ecosystem for businesses to grow.”

Twenty years ago, when Najjar first moved to Dubai, the population of the United Arab Emirates was just over 3 million inhabitants. Today, it is nearly 10 million. He expressed the evolution the city and the country over that time, from the ease of navigation, the ease of doing business, and the gradual sophistication of services and offerings.

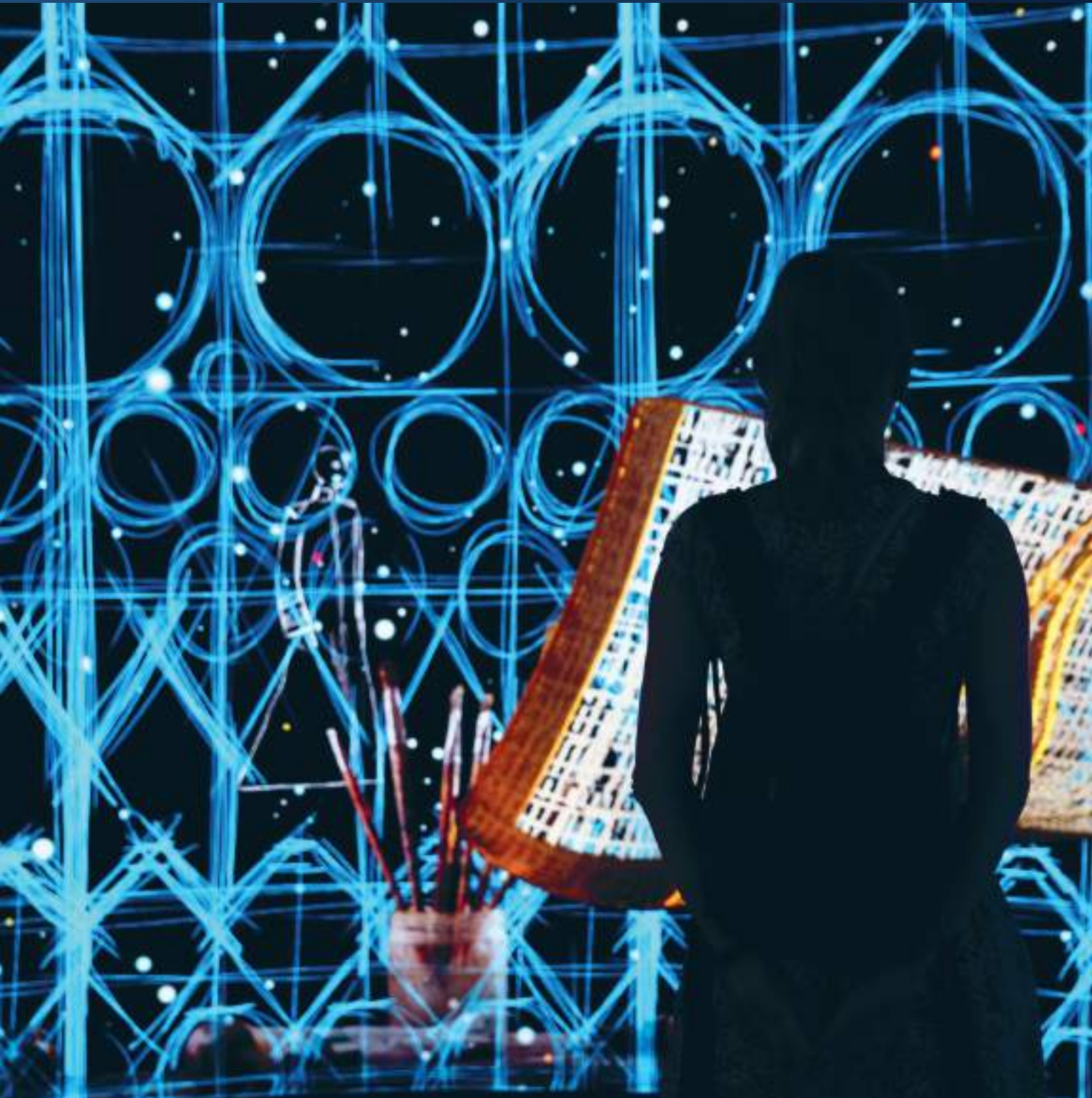
This has all led to continued growth and success in the Emirate of Dubai. Just recently, the DIFC published figures stating that we had 20% growth in the number of registered companies within this jurisdiction, indicating a wave of asset management companies and hedge funds relocating to Dubai, from both Europe and Asia. Najjar said, “We see a lot of promise on the horizon.”

Key objectives of the new business group include promoting the digital asset industry in Dubai, boost transparency through market intelligence and data, support the interest and growth of digital asset companies and foster cross-border cooperation. The next few months seem busy for the D2A2 group, as they work at setting-up the infrastructure for the group, instate quarterly meetings with the membership base to hear their voices, and ensure D2A2 are delivering the right message to all our stakeholders. D2A2 will be participating in a series of events over the next few months, including the Future Blockchain Summit in October.

“The key to D2A2 will be to be as agile and adaptive as possible. What can I say, this place is moving so fast; and a lot of that has to do with how attractive Dubai has become for entrepreneurs from around the world. Dubai is THE destination for entrepreneurs, and its no surprise to me that this new wave of Web3 entrepreneurs have chosen this city as their regulatory sandbox, innovation lab and launch pad. Month to month, there is always an evolution; either technologically, regulatorily, or legislatively. All the updated news, events and announcements will be published through our website and social media channels, so be sure to keep an eye on that and watch that space!”



**Iskander Najjar**  
Group CEO, Equiti





## SPOTLIGHT | DUBAI FUTURE DISTRICT FUND

# DUBAI FUTURE DISTRICT FUND: AN EVERGREEN FUND ANCHORED WITH AED 1 BILLION, AND EVEN GREATER AMBITIONS AHEAD

Written by: Erika Welch



It may surprise many to learn that Dubai is an entrepreneurial city that has relied on innovative ways to attract capital to fund its start-up ecosystem, more so than it is an inherently wealthy city. Dubai is a scrappy city that has historically punched above its weight class, much like the many start-ups it attracts. In a region where sovereign wealth funds (SWFs) are investing anywhere from hundreds of millions to billions of dollars into their start-up ecosystems and launching SWF-backed venture capital funds that are looking to attract start-ups with seemingly unlimited dry powder –Dubai has stood apart. Being a relatively oil-poor city-state compared to its neighbors, Dubai does not have unlimited capital and cannot compete on financing alone. Having only 4% of the country's oil reserves, Dubai has had to use that revenue wisely over the last 4 decades to build the diversified economy it relies on today. Perhaps this is also why the Dubai government has been so innovative in adopting digital transformation strategies to reduce its operating costs, running the government much like running the world's top companies.

Dubai has had to come by both talent and capital by building an attractive city with high standards of living, progressive industry regulations, investor-friendly incentives, and forward-thinking ambitions that attract like-minded ambitious entrepreneurs. During the past 10 years, Dubai's investment landscape has been ground zero for facilitating

transactions between start-ups and venture capital firms. In the early 2010's, there were only a handful of VCs start-ups entrepreneurs could go to in the region, and by the end of the decade, there were over 250 different investors across MENA and the globe writing cheques into regional start-ups, with the vast majority of deals taking place in Dubai. Roughly a quarter of investors were international, based outside of the MENA region. And it is likely for this success, that despite there having been whispers of a Dubai government-driven Venture Capital fund in the works for a great many years, that there hasn't been one... until now.

The Dubai Future District Fund (DFDF) was announced in January 2020, and formally established in November 2021 with a whopping AED 1 billion in anchor commitments to the fund. The fund was launched with a vision to support the next phase of development of Dubai's future economy, one that is expected to be largely digital. The committed AED 1 billion has been supplied by Dubai government entities with a mandate to inject additional strategic capital into the Dubai start-up ecosystem for the next phase of its evolution. The government affiliated entities that have supplied the capital, the DIFC and Dubai Future Foundation, are also two of the hubs that have been rolled-up to comprise the new "Dubai Future District". The Dubai Future District (DFD) is meant to be a thriving start-up and growth hub for start-ups, entrepreneurs, venture

capitalists, and investors alike, bringing together resources like co-working spaces, R&D labs, regulatory sandboxes and innovation hubs into one space.

The fund is divided into two segments, half (AED 500,000,000) of which is for Fund of Funds to develop and support the Dubai investor ecosystem, and the other 50% (another AED 500,000,000) is ear-marked for direct investments in start-ups. The strategic objectives of the fund are clear:

- (1) help seed new venture funds in Dubai to increase capital in the ecosystem, and
- (2) help fill funding gaps in the market, primarily in early stages (Pre-Seed to Series C)), across a Future of Finance and Future Economies thesis.

With regards to Fund of Funds, DFDF invests in 3 types of Funds: (a) incumbent regional VCs who've been successfully investing in Dubai and are typically on their 2<sup>nd</sup> to 4<sup>th</sup> fund; (b) new and emerging fund managers to add optionality for founders into the ecosystem; and (c) international VCs with presence and investments in Dubai.

For direct investments, DFDF invests in pre-seed to Series C across two thematic pillars. Future of Finance and Future Economies. About half could be co-investments with DFDF's portfolio funds, and the other half is targeted towards funding gaps in future tech innovation startups that the private VCs may not yet be supporting.

VC's and start-ups in the market say that DFDF could not come at a more critical time, as many of the VC funds are at an age where they are holding their reserve capital for future growth of their portfolio companies, requiring the market to raise new funds, especially to focus on the new future economy sectors that Dubai has grand visions for.

We speak to Sharif El Badawi, CEO of Dubai Future District Fund about the role of the fund and the ambitious plans ahead. "What's interesting about this fund, is that it's an evergreen fund, and to our knowledge, the first evergreen venture capital fund of its kind. This means that this fund can be patient in theory, and it is imperative to have patient capital in the market if we are looking to invest and develop advanced technology companies. That said, we still want and need to see strong financial returns – especially in the fund's formative years; but in the long-run, this fund will be able to invest in industries that have long-term return horizons, such as deep tech, space-tech and biotech –which is where the Dubai market is expected to mature into in the coming decade."





## SPOTLIGHT | DUBAI FUTURE DISTRICT FUND

**“In the long-run, this fund will be able to invest in industries that have long-term return horizons, such as deep tech, space-tech and biotech –which is where the Dubai market is expected to mature into in the coming decade.”**

With regards to direct investments into local start-ups, the first phase of the fund will look at investing into industries with 7-10 year return horizons, such as B2B SaaS companies, and start-ups focused on the future of work, future of finance (fintech and DeFi), and future of health (ie. telemedicine). The second phase of investing will be able to look at 10-15 return horizon bets, such as passenger drones and robotic agtech. El Badawi explains, “It’s this second stage of longer-term bets that will begin to show the fundamental difference and value add of DFDF compared to other funds in the region, as there isn’t a lot of patient capital unlocked in the region currently.”

As we begin to speak about future ambitions for the fund, and its role in helping Dubai achieve its Digital Economy goals, El Badawi gets excited, “The truth is, we have ambitions to become a US \$1 billion fund.

When El Badawi catches my raised eyebrows, he goes on to say, “It sounds like a lot of capital, and it is – but it also isn’t. It’s committed over a 6 year period, so not all capital needs to be seeded right away. We’re also looking at innovative ways to incentivize the private sector to support investments into our VC fund.” When asked about these incentive schemes, El Badawi shares that with the introduction of mainland Corporate Tax in 2023, opportunities to encourage the private sector to invest in venture capital can become available, such as a Corporate Tax Exemption Scheme for VC investments. These are common tax-exemption schemes used in other parts of the world, where corporate taxes can be partially or wholly waived for companies investing directly into certain types of funds or charities. “Why not implement this for Venture Capital in Dubai and the UAE? This way, Dubai can consolidate its VC efforts, and the private sector in Dubai won’t have to launch their own Corporate VCs but instead can

pool their resources together under the DFDF to execute on the grand digital economy vision already in place.”

The DFDF began deploying capital in January 2022, and has funded 5 funds, and made 8 direct investments in start-ups. “We’re on target,” says El Badawi.

Now it is perhaps just a matter of time before we hear an announcement of DFDF becoming a billion dollar fund. Not too far down the road after that announcement, will likely be DFDF’s first announcements of investing in long-term future tech bets. What those innovations and start-ups might be, is anyone’s guess.

To find out more, visit [www.futuredistrictfund.com](http://www.futuredistrictfund.com)



**Sharif El-Badawi**  
Chief Executive Officer Dubai Future District Fund





# CONCLUSION

Entrepreneurs, investors and start-ups have all looked to Dubai, either as a base from which to launch their start-ups, or as a city to expand into or to re-locate entirely to, for the past decade. The allure of Dubai starts with the compelling macroeconomics and consumer base across the GCC that tell the story of tens of millions of young, wealthy and tech-savvy consumers that are all reachable for tech start-ups based in Dubai. Cast the net wider in either direction, and Dubai-based start-ups have the opportunity to reach the rest of MENA and neighboring markets such as the 100 million consumers in Egypt or 220 million consumers in Pakistan.

The myriad of other reasons why entrepreneurs are looking to Dubai include the fact that Dubai has some of

the most reliable internet infrastructure and connectivity in the world, enviable world-class living that attracts expats and talents from around the world, global connectivity and its centralized location which provides working hours conducive to business dealings between Europe, Asia and Africa, and compensation incentives such as no corporate tax or income tax. Add to that the general ease of doing business and the investor-friendly policies, that attract investors and advisors to back tech companies in the Dubai ecosystem – and it's understandable why Dubai is considered attractive to techies around the world.

The UAE, with a population of 9.9 million, is a relatively small but mighty nation on the global stage, that continually punches above its weight

class. It, in many ways, is a comparable country to Israel, in that both share similarly sized populations and economies, though the UAE's economy is larger (US\$410 billion vs \$394 billion in 2019), and Israel's start-up ecosystem is much stronger (Israeli start-ups raised \$25.4 billion compared to UAE start-ups raising \$1.2 billion in 2021). With the UAE looking at what Israel has been able to achieve with its Tel Aviv start-up ecosystem, it's no wonder Dubai has rolled out ambitious plans for its tech ecosystem.

In the next wave of development for Dubai's digital economy, the city is inviting the world's best and most advanced digital economy contributors to make Dubai their new home. To do this, the government has started by rolling out various federal and emirate



### GLOBAL FINANCIAL CENTER



### SAFETY AND STABILITY



### GLOBAL CONNECTIVITY



### ABUNDANCE OF OPPORTUNITIES



### HIGH INTERNET PENETRATION



### INVESTMENT FRIENDLINESS



### EASE OF DOING BUSINESS



### TALENT COMPETITIVENESS



### WORLD-CLASS LIVING



### ACCESS TO CAPITAL

level strategies and ambitious targets, along with the required infrastructure and regulatory bodies to methodically implement and execute against the strategies in question. And we are talking about more than one strategy; Dubai alone has a digital economy strategy, to strategies and roadmaps for artificial intelligence, blockchain, digital assets and the metaverse. Various Dubai government departments are working in tandem to attract the world's top digital companies, as well as the most prominent players in the advanced technology space. The federal government has revamped the country's work visa schemes to make it easier for investors, tech entrepreneurs, and digital nomads to try Dubai on for size. The UAE is even awarding 100,000 golden visas, which would allow recipients untethered access to work and live in Dubai for 10 years, to top coders and advanced technology experts in a bid to try and have the most coders per capita than anywhere else in the world. The country also has set a target to become home to a minimum of 20 unicorns (startups with a valuation of \$1 billion or more) by 2030, to have the national digital economy contribute over 20% to its non-oil GDP by 2031.

Dubai, in the race to become the world's next top digital economy hub, has no shortage of targets either. By 2030, Dubai anticipates remaining as the world capital in blockchain, while also becoming a top 10 metaverse economy in the world. This has translated to Dubai committing to launching or attracting 300+ new digital economy start-ups in Dubai by 2024, transferring 100+ international experts in advanced technologies and transferring the operations of 10 large multinational advanced technology company's headquarters to Dubai by 2024. Longer term, Dubai says it will attract 1000+ blockchain and metaverse companies to Dubai and support 40,000 virtual jobs by 2030.

The institutions Dubai has launched in the past few years build a consistent story around Dubai's commitment to developing its tech sectors. The launch of Dubai Future Foundation in 2016 set the stage for investigating the industries Dubai would need to tap into to future-proof its city and the country's economy; it was then followed by the establishment of the Dubai Chamber of Digital Economy under the umbrella of Dubai Chambers,

to support the growth of digital companies in Dubai. Then Dubai Future District Fund (DFDF) was established in 2021 to support by providing an additional injection of capital into the Dubai start-up ecosystem to fund the next generation of future economy companies.

Perhaps, what makes this most exciting is the coordinated effort and unified commitment from both the Federal and Emirate-level governments to make Dubai the next digital economy capital of the world. With this unilateral support, Dubai is more likely than ever to accomplish its vision. And as heavyweights across the blockchain, artificial intelligence, cryptocurrency and digital assets world all look to make Dubai their global headquarters, there is proof in the pudding and clear indication on the ground that this is more than just a strategy or a vision, but an actual work in progress. Stay tuned for our next special report, where we will dive into some of the private-public partnerships and start-ups that are forming the future digital economy ecosystem.





The Dubai Chamber of Digital Economy (DCDE) is one of three independent chambers operating under the umbrella of Dubai Chambers, focused solely on supporting the development of Dubai's Digital Economy ecosystem. Read more about the Chamber here:



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## **DUBAI'S ROADMAP TO BECOMING THE DIGITAL ECONOMY CAPITAL OF THE WORLD**