

دبي

BUSINESS IN DUBAI

DUBAI

2019

1 #

Global hub
for future
business
growth

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DUBAI

City of the future

It's difficult to imagine Dubai as the small desert outpost and fishing village it once was when you see today the extraordinary changes that have taken place in the space of a generation.

Thinking big and embracing change has been Dubai's formula for success, epitomised by flourishing financial, tourism and real estate sectors and the city's iconic, cloud-piercing skyscrapers which boast the world's tallest building, the Burj Khalifa.

All of this would not be possible without the visionary eye of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the United Arab Emirates, and Ruler of Dubai, who has helped propel the emirate forward with innovative and progressive initiatives aimed at turning Dubai into the smartest, happiest, most sustainable and most technologically advanced city in the world.

A key part of this strategy is the Dubai Plan 2021 – an initiative to encourage economic growth through making Dubai the world's most business-friendly destination and the preferred investment destination for foreign capital. Another scheme, Dubai 10X, plans more transformation by challenging governmental bodies to be 10 times faster, 10 times bolder and 10 times more creative than any other global competitor. Government departments are being encouraged, even urged, to embrace disruptive innovation and incorporate that into every facet of their work.

Innovation is at the heart of the government's drive to redefine how services that better empower citizens and residents can be provided. Dubai 10X seeks to establish 'X Labs' in every government entity in a bid to position Dubai 10 years ahead of other cities around the world in areas such as technology, government services, health care and education. As a result of



Dubai Industrial Strategy 2030

75

key initiatives

27,000

jobs created

\$43.6B

potential additional
revenues

this, Dubai continues to invest heavily in tech to streamline the city's business environment, including focusing on Smart City programmes like Smart Dubai 2021, Blockchain and Pulse Dubai. The Dubai 3D Printing Strategy was launched to position Dubai as a hub for 3D printing technology. It focuses on three major sectors, namely construction, medical products and consumer goods. Around 25 per cent of the emirate's buildings are expected to be 3D printed by 2030 under this ambitious programme.

Dubai also champions environmental protection and its Clean Energy Strategy aims to make the emirate a global centre of green energy and economy by 2050. To underline its commitment, the government has pledged to invest US\$27.2 billion in a Green Fund to provide easy, low-interest loans to clean-energy investors.

As part of the Dubai Industrial Strategy 2030, H.H. Sheikh Mohammed bin Rashid has his sights set on transforming the city into a knowledge-based, sustainable and innovation-focused platform for global business. This major new policy comprises 75 key initiatives aimed at generating an extra US\$43.6 billion in revenues, creating 27,000 jobs in the industrial sector and boosting exports by US\$ 4.36 billion, all by 2030.

The future of transport has come under the spotlight with the exciting Transportation Technology Strategy, which is targeting 25 per cent of the emirate's network to be smart and driverless by 2030. Meanwhile, Virgin Hyperloop One is a scheme to introduce ultra-high speed routes linking Dubai with the UAE capital Abu Dhabi in as little as 12 minutes.



Dubai has always put business first. Its trade-friendly environment pioneered economic free zones with 100 per cent foreign ownership, tax-free policies and low-cost set up and renewal structures. This has led to businesses of all sizes, from publicly listed entities to exciting start-ups attempting to capitalise on Dubai's strategic position as the gateway to economies across the Middle East, Africa and South Asia.

In addition to attracting 56 per cent of the world's Fortune 500 companies and with more than 200,000 registered companies, Dubai has seen a large influx of SMMEs (Small, Medium and Micro Enterprises) and boasts one third of all MENA investors and 19 venture capitalists – the highest in the region. It has a proven track record due to its continually evolving and business-friendly regulatory and legislative policies.

The UAE is the leading country in the Arab world in 'Ease of Doing Business', according to the World Bank's latest rankings. Dubai was ranked 15th in the September 2018 Global Financial Centres Index, and sixth worldwide in terms of reputation. Leading the region in competitiveness, the UAE rose to 11th place worldwide in the World Economic Forum's Global Competitiveness Report 2017-2018. Furthermore, the young nation has been rated as the most prepared for change in the MENA region, and the third most prepared globally, according to the KPMG Change Readiness Index. And thanks to its high-tech infrastructure and rolling out of smart initiatives, the Gulf States Smart Cities Index report by Navigant ranks Dubai as the Middle East's leading smart city.

In terms of global networking, Dubai is right up there with the world's best. With its rich and varied business events calendar, Dubai is a leading destination for networking, hosting more than 300 MICE and business events annually and welcoming around three million delegates and visitors from 185 countries. As a regular venue for product launches and idea

56%

of the world's Fortune
500 companies
attracted to Dubai

200,000

registered companies
in Dubai

1/3

of all MENA investors

19

venture
capitalists

exchanges, Dubai is further enhancing its R&D positioning and growing role as an innovation centre, allowing businesses to tap into cutting-edge knowledge and expertise to pilot test generation products and services to a fast growing wider regional market.

Dubai is becoming a magnet for tourism and has been catapulted to the fourth most visited leisure destination in the world, welcoming 15.8 million visitors in 2017. The city offers a rich array of attractions to suit all ages and tastes and is now striving to be the world's number one destination for families. In line with the 2021 Plan, Dubai remains steadfast in its commitment to be a tolerant, progressive and inclusive society, driven by creativity and innovation with the aspiration of becoming the world's premier city to live, work and visit.

A photograph of two men in traditional white Emirati attire (thobes and ghutras) looking at a tablet. The man on the left is gesturing with his hand while the man on the right points at the screen. The background is blurred, showing an outdoor setting with some structures.

Innovators

building
the future
in Dubai

Dubai is at the forefront of innovation and is always on the lookout for the next big thing. It is home to the world's biggest skyscraper and man-made offshore islands. Home-grown start-ups are now thriving in the emirate which is leading the way in the Arab world.

Digital start-ups attracted US\$650 million in funding in 2017 and 76 per cent of those were based in the UAE. The region also accounted for almost one-third of MENA investors. HH Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai and Chairman of the Dubai Executive Council, said that a persistent focus on innovation and government initiatives to create a variety of new investment opportunities is reinforcing the UAE's position as the region's entrepreneurial hub.

Sheikh Hamdan added that the UAE has embraced advanced strategies for promoting creativity and enabling successful enterprise in emerging sectors and that the

outstanding investor response and rankings that Dubai and the UAE have received regionally and globally validates its knowledge-economy strategies as envisioned in the UAE Centennial Plan and Dubai Plan 2021.

Recently, Forbes Middle East published a list of 50 promising UAE start-ups due to intensive entrepreneurial activity in the region. Ride-hailing brand Careem headed the list, with GPS-based shipping company Fetchr at number two and followed by online children's items retailer Mumzworld at three. The emirate's innovation pedigree has moved up a notch with a government authority mandated to promote Dubai as one of the world's most attractive cities for creative businesses. The Dubai Creative Clusters Authority or DCAA regulates free zone clusters and develops policies and programmes to enable cluster development linked to economic growth.

MENA's digital start-ups
attracted funding of

\$650M

76%

based in UAE



Creative industries - those that use intellectual capital as their primary input such as film, design, gaming and architecture - are viewed by Dubai as critical drivers of innovation, engines of knowledge-based economy growth and key contributors to quality of life. The DCAA is attracting, retaining and nurturing creative businesses in Dubai, enhancing the ease of doing business and removing impediments to growth. It promotes entrepreneurship and innovation, provides financial support and a platform for research, intelligence and advocacy.



Dubai's pro-business environment

Dubai
International
Financial
Centre (DIFC) ▲

Dubai has a free and open economy for the purposes of attracting business and investment. Government regulation of the private sector is at an absolute minimum so long as there is compliance of international standard practices.

A number of initiatives and incentives are currently in place to foster business growth, including an absence of income tax. The VAT rate is extremely low at just 5% with exemptions across certain food items, health, education and social services. There are no direct taxes applied on corporate profits or personal income except for oil companies and branches of foreign banks. Custom duties are also negligible at 4% with many exceptions and a 100%

repatriation of capital and profits is permitted. Financially speaking, there are no foreign exchange controls, trade quotas or barriers and a stable exchange rate exists between the US dollar and the UAE Dirham.

In terms of recruitment, liberal visa policies make it easy for companies to recruit expat labour from all over the world, with 53 countries currently eligible for visas on arrival. Ambition and a can-do attitude pervade all aspects of business life in Dubai.

The Dubai Plan 2021 has the stated aim of establishing the emirate as 'a pivotal hub in the global economy'. The pro-business government is playing its part with specific pro-



grammes and assets to help start-ups to grow and existing companies to flourish while keeping a watchful eye on neo-industries, green energy, design, AI and robotics. Plans and projects are in place to ensure that Dubai embraces the next-gen future.

Dubai Chamber oversees a US\$27.2 million fund to be invested in next generation business through the Dubai 'Smartpreneur' Competition, Dubai Startup Hub, Mohammed Bin Rashid Al Maktoum Business Innovation Award and the Dubai Innovation Index. Six initiatives are in place for the application of the fund. It will enhance Dubai's international business network, promote Dubai as an attractive market for commercial ties; leverage its relationships and stakeholders to become the business community voice; develop the emirate's entrepreneurial ecosystem and provide the best membership services through strong engagement and innovative solutions. The Chamber hopes to facilitate the process through smart apps aimed at improving the efficiency and ease of doing business in the emirate.



In another exciting initiative, the Dubai Future Foundation has established the Global Blockchain Council to explore applications and organise transactions through the Blockchain platform. The foundation highlights Blockchain's future implications on the business and finance sectors and its role in facilitating various financial and non-financial transactions while increasing efficiency and reliability.

Blockchain transactions can only go through if all members approve, which minimises fraud and money laundering risks as the digital currency cannot be forged or damaged and can easily be moved across borders. It also facilitates shopping across social media and web-sites.

The council's 46 members are all potential key Blockchain players who are shaping the market. They include government entities, international companies, leading UAE banks, free zones, and international Blockchain technology firms.



Accessibility to markets and infrastructure

As a hyper-connected pro-business hub between East and West, Dubai offers unrivalled access to the world's fastest-growing economies.

An established gateway to the wider Middle East, Africa and South Asia, this is a region with a projected combined GDP of over US\$12.8 trillion by 2030. Furthermore, Dubai is a key location on the Africa-China trade development corridor, known as the 'new silk road'. Non-oil trade between Dubai and Africa is valued at US\$34 billion having amounted to US\$192 billion over the 2012-2017 period.

MENASA GDP
\$12.8T
by 2030

\$34B
Dubai-Africa
non-oil trade

Africa is the fastest-growing market for the emirate. Dubai real estate group Emaar set up a commodities-oriented pan-African group in 2011. It's a perfect match pairing resource-rich Africa with capital-rich Dubai. Africa's growing consumer market is great news for Dubai companies. The UAE is now second only to China in investing in Africa, accounting for US\$11 billion in capital expenditure. In terms of ease of business, Dubai has a distinct advantage over its competitors.

Connectivity is a key, with Dubai's airports joining the city's busy shipping ports as important economic drivers. Air traffic is on the rise thanks to Emirates airline, which flies to 17 sub-Saharan destinations. African air traffic accounts for more than 10 per cent of passengers into Dubai's city-centre airport. Emirates' expansion into Asian and Chinese airspace has also led to a surge in passenger numbers.

China was ranked as the UAE's largest trading partner in 2017, with bilateral trade expected to rise to US\$80 billion in the next two years. Dubai plays a vital role in China's 'One Road, One Belt' initiative - and maritime belt programme - with a joint US\$10 billion fund. The Chinese presence in the UAE is growing, with over 4,200 registered companies and 356 trade agencies. The UAE's open visa policy for China has boosted business opportunities even further, with Alibaba Cloud choosing to expand into the Middle East from Dubai following the recent launch of a new regional data centre. Also, in the last five years, all four major state-owned Chinese banks have established UAE operations at the Dubai International Financial Centre (DIFC).

India was the UAE's second-largest trading partner in 2017, with US\$27 billion in non-oil bilateral trade. The subcontinent nation is negotiating new trade opportunities following the signing of 14 strategic agreements.

\$80B

estimated rise of
bilateral trade with
China by 2021



There are multiple ways investors can access the wider Middle East and African markets via Dubai, which is at the heart of a region with an estimated population growth of 80 per cent within the next four decades. This can be achieved by relocating operations to the emirate and using Dubai as a start-up base by establishing partnerships or forming agency or franchise agreements – a course of action particularly successful for the hospitality, F&B and retail sectors.

Global Networking Destination

Dubai has become the events capital of the Middle East - be that for conferences, exhibitions, sports, entertainment or festivals.

More than 300 major events are held annually and 50% of regional trade events are staged in Dubai. Around 1.8 million business travellers come to the city every year due to its strategic location - around one-third of the world's population is within a four-hour flight and two-thirds only eight hours away by air. Dubai International Airport (DXB) is served by over 125 airlines flying to over 240 destinations.

Dubai provides a dynamic business events setting - made up of global connectivity, state-of-the-art hotels and venues, first-class infrastructure and great hospitality - in addition to the city's diverse knowledge base across all industry verticals including healthcare, education, technology, transport, clean energy, water and space.

Through Dubai Business Events (DBE) - the city's official convention bureau - corporations and associations from around the world are offered free

and impartial advice, guidance and support in planning international business events in the emirate.

One of the most eye-catching events in Dubai is Cityscape Global which is held at the World Trade Centre each October. Visitors to the exhibition will be able to learn about the latest opportunities for real estate investment and development in emerging markets around the world. There were more than 45,000 visitors at the 2018 event, with exhibitors showcasing projects from over 100 countries. The annual exhibition brings together the whole spectrum of real estate professionals from realtors to architects, and is an opportunity to network and discuss some of the issues affecting the global real estate market.

The Dubai International Motor Show is the ultimate sales-driven showcase for



Dubai International Motor Show

100,000

visitors

77

countries

26

years

global automotive brands and the trusted voice for a passionate audience of petrol-heads. With a valued reputation of more than 26 years of experience, Dubai International Motor Show consistently delivers new business opportunities. The biennial event attracts over 100,000 visitors from 77 countries, all looking for exclusive motoring deals and the latest information on upcoming automotive launches on everything from high-performance supercars to the more everyday style of vehicle. The internationally respected event is a must for motoring brands and car enthusiasts alike.

GITEX Technology Week is the leading ICT event in the MENA region. Hosted at the Dubai World Trade Centre, the 5-day exhibition show-

cases some of the latest products and innovations from the world of technology, and brands from all over the world are set to take part. Tech behemoths Google and Facebook are usually in attendance at this annual event, alongside home-grown tech startups and telecommunication giants Etisalat and Du. The 2018 exhibition shined a spotlight on four major technological sectors – Smart Cities, AR and VR, Internet of Things, and Smart Manufacturing, and featured the region's first autonomous driverless taxi.

The biennial Dubai Airshow is the region's largest aviation showcase. In 2017 alone, the lion's share of aircraft deals and orders value came close to US\$114 billion, not including





several billion in defence deals. Global leading aircraft manufacturers Boeing and Airbus use the airshow as an opportunity to showcase the latest aircraft designs, innovative technologies and solutions in aviation alongside other big names in the industry.

The Arabian Travel Market (ATM) is an annual event that showcases thousands of tourism attractions and international destinations. Every year the event grows from strength to strength, with more than 40,000 people in attendance and more than 2,800 exhibitors at the 2018 ATM edition. All vendors, suppliers, and key players showcase the latest destinations and services at the ATM, from hotels and airlines to travel technology.

One of the most prestigious events to ever be held in the city will be Expo 2020 Dubai. The show will take place between

20 October 2020 and 10 April 2021, with approximately 25 million visits expected. The entire site will span over two square kilometres, centred on the Al Wasl meeting plaza as its core. Spreading out from Al Wasl will be three districts corresponding to the sub-themes which will each have their own unique pavilion.

The exhibition is sure to bring in a diverse and unique range of people and industries from around the world and will deliver a lasting impact on the city and the business events industry, driving knowledge creation in the emirate and fostering the exchange of ideas, information and research which ultimately boosts the broader vision towards Dubai's goal of being a global knowledge hub.

6

Ideal place to **live, work and play**



Dubai
Opera ▲

There are more than 200 nationalities residing in Dubai and most are familiar with the saying 'work hard and play hard' when referring to the ethos of living here. The lifestyle is enviable and beguiling, with a vast array of theme parks and beaches for the entire family to enjoy.

Culture abounds too with a clutch of historic sites, theatres, concert halls and a state-of-the-art opera house. The world's biggest stars regularly perform in Dubai, often choosing to begin or end regional or global concert tours here.

The art scene is well catered for, with Dubai's art galleries covering a huge range of genres complemented by a variety of art exhibitions, programmes and events. Art Dubai runs in March each year, featuring an exciting and packed programme of exhibitions, master classes and competitions. World Art Dubai is a four-day jamboree hosted annually at the Dubai World Trade Centre and featuring a number of enlightening seminars and workshops, cut-

ting-edge art demonstrations and a comprehensive art library to luxuriate in.

As well as pop, rock, jazz and classical music events, there is the prestigious Dubai Opera, bringing award-winning shows and concerts to a highly receptive audience. Another recent addition to the cultural landscape is La Perle, the Middle East's first permanent theatrical show created by Dragone and housed in a dedicated 1,300-seat aqua-theatre.

You can dine out in Dubai in any style from fast food to international cuisine. Acclaimed chefs and celebrity cooks come from all over the world to set up restaurants here and the scope of high-end dining on offer is vast. Dubai really is a haven for foodies. Emirati food, with a focus on fresh fish, is making a name for itself with the emergence of food trucks, cafes and restaurants dedicated to local cuisine.

On top of this, there is world-class shopping to enjoy. Lavish malls such as the Dubai Mall, Mall of the Emirates and City Walk sit alongside more traditional retail experiences such

the Gold Souk and the Perfume Souk where there is something to suit all pockets and tastes. Dubai boasts a huge choice of sport and leisure facilities that are almost sewn into the fabric of life in the city. Apart from a glut of watersports, there are Dubai's world-class tennis courts, golf courses and sports clubs to enjoy. Schools and hospitals are regulated to encourage the highest of standards and housing comes in all shapes and sizes, from beachfront apartments to gated villa communities.

Dubai is exciting and cosmopolitan while being highly safe and politically stable. Navigating the city and exploring surrounding areas is uncomplicated and if you're moving here long term, you'll discover a multitude of desirable neighbourhoods and housing options.

Excellent healthcare provision has always been a priority in Dubai. Today, everyone in the emirate must have private medical insurance which is normally provided by employers. Launched in 2016, the Dubai Health Strategy 2021 was developed as a five-year blueprint for improving the quality of health services in the city.





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