



Acceleration initiatives and corporate-friendly regulations for SMEs in Dubai

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The consistent and robust support for entrepreneurs, investors and SMEs reflects Dubai's business-friendly environment, making it an attractive destination for both local and global investments

His Highness Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum,
Crown Prince of Dubai and Chairman of The Executive Council of Dubai





Dubai epitomises sustainable progress and avant-garde innovation, which is a reflection of its dedication to adopting forward-thinking models for long-term economic success. In congruence with this very ethos, the Dubai government recently launched the 'Dubai International Growth Initiative,' led by His Highness Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai and Chairman of The Executive Council of Dubai. Through this project, small and medium enterprises (SMEs) established in the city are provided with opportunities to scale up. Upon successful expansion, such SMEs can effortlessly venture into international markets.

In collaboration with Emirates NBD (originally founded as the Emirates National Bank of Dubai), the Government of Dubai has allocated a substantial value of AED 500 million to support companies that chose Dubai as their launchpad for accelerated growth. This strategic move is integral to realising the overarching objectives outlined in the Dubai Economic Agenda (D33).

This e-book offers a comprehensive examination of the newly founded project, delineating its objectives and eligibility criteria. It even dives deeper into Dubai's business-friendly regulatory environment, its thriving economic landscape, and its key function in promoting the sustainable success of SMEs founded in the city.

Part I

Insights into the Dubai International Growth Initiative



Economic contributions of SMEs

Small and medium-sized companies in Dubai are viewed as the 'engine' for economic growth and a vital contributor to its gross domestic product (GDP). Concurrently, the sector serves as a crucial aspect of job creation in the city, which comprises over 60% of its overall job opportunities. A detailed report by the Dubai SME — an agency of the Department of Economic Development — titled "The State of Small & Medium Enterprises (SMEs) in Dubai," offered valuable insight into this.

The analysis highlighted that Dubai-founded SMEs represent 95% of all establishments in the emirate. These companies reportedly account for 42% of the workforce and contribute around 40% to the total value-add generated by their resources.

Defining SMEs in Dubai

In Dubai's thriving corporate landscape, SMEs are classified using distinct criteria tailored to each sector. For example, in the trading industry, a micro-enterprise can have up to nine (9) employees and a turnover of less than or equal to AED 9 million. Meanwhile, in manufacturing, a small firm has less than 20 employees and a revenue of less than or equal to AED 10 million.

In addition, microbusiness entities within the services sector are defined as any company with less than or equal to 20 employees and a turnover valuation of less than or equal to AED 3 million.



Similar thresholds also apply for other sectors, but with slight variations.

The nuanced classification undoubtedly ensures that SMEs receive targeted support and opportunities for growth.

Understanding the Dubai Economic Agenda (D33)

The Dubai International Growth Initiative is designed to be a subset of the ambitious and long-term agenda: the Dubai D33. This project envisages strengthening the foundation of Dubai's trade and commerce by doubling the size of its GDP by 2033. The goal will thereafter help supercharge its rank among the top three cities worldwide. In essence, it is an all-encompassing agenda that seeks to amplify its success across all sectors that shape Dubai's socio-economic framework.

The Dubai International Growth Initiative: A lifeline for SMEs

SMEs typically face numerous hurdles when they aim to expand their companies into new markets. Such challenges may include limited resources, a lack of familiarity with local cultures, and struggles in building networks.

Fortunately, the Dubai International Growth Initiative serves as a valuable resource for SMEs seeking to expand into new markets. Allotting a considerable value of AED 500 million for the sustainable development of SMEs specifically highlights the government's acknowledgement of the key function of SMEs in Dubai's economic prosperity.

Understanding the significance of the 500 million-dirham project, H.H. Sheikh Hamdan

said, "Guided by the vision of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, and aligned with the objectives of the Dubai Economic Agenda, D33 to double the size of the economy, the Dubai International Growth Initiative will support the global expansion of SMEs founded in Dubai."

H.H. Sheikh Hamdan also underscored the government's unyielding support for entrepreneurs and addressed Dubai-founded SMEs' auspicious decision to launch their businesses in the emirate.

Dubai invests in SMEs with the launch of the Dh500 million Dubai International Growth Initiative



Read the accompanying article for more information.

Part II

Supportive public and private organisations



Emirates NBD

Emirates NBD Bank P.J.S.C



السحب النقدي
Cash Withdrawal

تحويل نقدي من الحساب
الى الحساب
The transfer is available to
Emirates NBD customers

تحويل نقدي من الحساب
الى الحساب
The transfer is available to
Emirates NBD customers

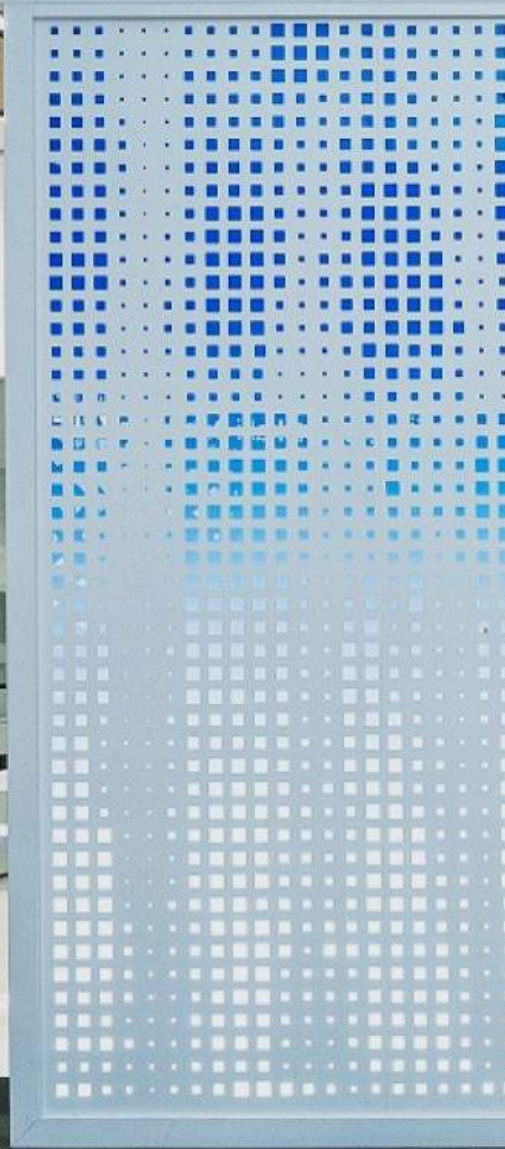
تحويل نقدي من الحساب
الى الحساب
The transfer is available to
Emirates NBD customers

Convert Bank Mls.
By up
1000000

Convert Bank Mls.
By up to 10 Billionaire
1000000

تحويل نقدي من الحساب
الى الحساب
1000000

Convert Bank Mls.
By up to 10 Billionaire
1000000



The Dubai government's relentless support for SMEs is manifested through a multifaceted approach that addresses the myriad challenges faced by these enterprises. This encompasses access to finance, market expansion opportunities, capacity building, and mentorship. Truly, the Dubai International Growth Initiative provides a lifeline to SMEs, equipping them with the tangible and intangible resources to thrive in a competitive global landscape.

Tangible resources: Partnership with Emirates NBD

The collaborative alliance between the Government and Emirates NBD provides tangible benefits for SMEs to scale up horizontally and vertically.

Eligibility information

With the support of the prominent banking group in the MENAT (Middle East, North Africa, and Türkiye) region, the project facilitates up to AED15 million in financing over seven (7) years. This essentially means that small and medium-sized companies in Dubai are provided with the necessary financial resources, such as medium-term loans and working capital facilities. The funding helps guarantee that they can manage cash flow effectively during their expansion phase.

Emirates NBD highlights that SMEs in sectors such as Fast-Moving Consumer Goods (FMCG), Food and Beverage (F&B), retail — including parts and machinery distribution — e-commerce, services and manufacturing qualify for the funding programme of the government. Here are further details about the eligibility requirements:

- All Dubai-founded SMEs, irrespective of the nationality of the owner

- Companies that meet the thresholds of Employee Headcount and Turnover for their specific industry
- SMEs with up to 250 employees and an annual turnover below AED 250 million
- Has a demonstrated successful business model
- Present a thorough business plan, outlining global expansion strategies

Moreover, the financing expenses are determined by the Emirates Interbank Offered Rate (known as EIBOR), with no extra margin. Yet, standard bank charges may apply. The EIBOR is the benchmark interest rate of the United Arab Emirates for interbank financing.

It's worth noting that SMEs must solely use the funding to launch a global expansion of their current line of business. The requirements also emphasise that entrepreneurs have to manage repayments based on the cash flows from their current operations.

The above prerequisites only cover Phase 1 of the broader 'Dubai International Growth Initiative' and may be subject to change.

Intangible resources: Private sector collaborations

Strategic collaboration with Microsoft

Dubai's Department of Economy and Tourism (DET) unveiled a plan conducive to bringing the emirate's digital transformation roadmap to fruition. To this end, they strategically inked an agreement of intent with the multinational technology giant Microsoft to stimulate the expansion, innovation, and development of Dubai's digital world. It targets SMEs, logistics, and education sectors in the city.

Through Microsoft's digital solutions, SMEs gain efficiency and market expansion opportunities, which fuel their growth in the local corporate world. With this, DET equips SMEs with affordable enterprise solutions to increase productivity levels within their respective businesses.

Undoubtedly, this public-private business alliance will catalyse the integration and advancement of digital infrastructure across industries. In turn, it sees a chance to increase the resources of the 15 billion-dirham tech market.

Similarly, the digitalisation of education will provide students access to state-of-the-art resources. It subsequently prepares them for success in the digital hub that consequently drives socio-economic development. The logistics field, which includes transport and storage sectors, also benefits from the widespread utilisation of new technologies as it helps streamline operations.

The sectors targeted for this project are likely to see a boost in their GDP. These technology transformation initiatives are among the undertakings that are indirectly complementary to the D33 Agenda.

Dubai-based private firms: A glimpse into their role

During the unveiling of the Dubai International Growth Initiative, H.H. Sheikh Hamdan also acknowledged that “the private sector remains a crucial partner in nurturing the growth of Dubai's economy.” With this, private entities in Dubai like Seed Group, a company of The Private Office of Sheikh Saeed bin Ahmed Al Maktoum, are crucial in helping amplify the impact of such

initiatives.

Medium- and small-sized companies in Dubai, in particular, can benefit from the wealth of experience and resources of private organisations that ensure to complement the work of government-sponsored programmes. Successful, mutually beneficial collaborations will eventually contribute to Dubai's economic vibrancy.

Dubai expands its plans for SMEs, logistics, and education sectors with a tech giant partnership



Read the accompanying article for more information.

Part III

The corporate-friendly regulations





There are only a few economies that provide companies of any size with corporate-friendly regulations. Dubai is one of these standout economies. With its tax-friendly rules — zero personal income tax and corporation tax exemptions for most organisations — Dubai provides a competitive advantage over jurisdictions burdened by higher taxes.

Yet, navigating these corporate policies tends to be challenging. The Dubai Chamber of Commerce, one of the three chambers operating under the umbrella of Dubai Chambers, thankfully simplified the latest procedures in the UAE's Corporate Tax and Value Added Tax (VAT) laws.

Attended by 220 participants — composed of industry leaders, key government officials, and more — the Dubai Chamber of Commerce effortlessly demystified the significant aspects of the newly updated Free Zone Decisions and the business-centric practical application of the General Interest Deduction Limitation Rules.

The public entity also underscored the significant aspects of Cabinet Decision No. 55 of 2023 and Ministerial Decision No. 139 of 2023. The latest Ministerial Decisions regarding Participation Exemption, in particular, accentuate the prevention of double taxation on

profits and capital gains from qualifying investments. This new regulation, along with the aforementioned ones, guarantees greater transparency in the application of Corporate Tax to debt financing.

All these will essentially support a more sustainable economy in the UAE.

His Excellency (H.E.) Mohammad Ali Rashed Lootah, President and CEO of Dubai Chambers, underscored the department's active support for the Dubai business community. He went on to elaborate, "One of the chamber's key roles is to actively support the evolving needs of Dubai's dynamic business community." He added, "We remain committed to creating a supportive, enabling, and world-class business environment that promotes innovation and drives entrepreneurship in the private sector."

Dubai Chamber of Commerce demystifies new Corporate Tax laws: Key considerations for SMEs and start-ups



Read the accompanying article for more information.

Part IV

Clear vision and actionable plans: Key to sustainable progress



Dubai's favourable business climate is one of the pillars of its thriving economy. Many of the city's largest firms and enterprises enjoy sustainable development as they endeavour to bring favourable influence and impact to the ecosystem, besides profit-making. Truly, embracing sustainability aligns with Dubai's ambitious vision for the future as well as delivers tangible benefits across various sectors.

By integrating sustainable practices into its business landscape, Dubai fosters innovation, attracts investment, and enhances its competitive edge on the world stage. Moreover, such endeavours reinforce the city's stronghold and status as a forward-thinking and responsible business hub. In turn, this appeals to investors and businesses seeking long-term viability and impact.

Impressive FDI rate and GDP

Beyond its lucrative and sustainable entrepreneurial expanse, the emirate boasts a diverse corporate engine, ranging from bustling tourism hubs to cutting-edge tech platforms. It acts as a metaphorical launchpad for a wide array of local and foreign-owned start-ups, medium-sized enterprises, and large-scale organisations.

There's no doubt that the Government of Dubai consistently births ambitious projects that provide all-encompassing benefits for entrepreneurs and professionals alike. As a result, there have been 511 Greenfield Foreign Direct Investment (FDI) projects that have been attracted to these government-led initiatives. This has accordingly catapulted the city to the top six global rankings in the first half of 2023.





This success largely contributes to Dubai's impressive GDP performance during the first three quarters of 2023. It is shown by data from the Dubai Statistics Centre, reaching approximately AED 223.84 billion.

As such, H.H. Sheikh Hamdan applauded the city's sustained economic appeal. Taking pride in Dubai's upward trajectory, H.H. Sheikh Hamdan said, "This success is the result of the harmonious collaboration between all of Dubai's economic stakeholders, including its public and private sectors. It is also a reflection of Dubai's favourable economic climate, robust world-class infrastructure, pro-business regulations, and deep talent pool, which together consistently draw in a diverse array of investors and entrepreneurs from all corners of the globe."

Corporate events: Great avenue for SMEs

In 2023, Dubai Business Events (DBE) reportedly won 349 bids to organise international conferences, exhibitions, and trade events, fostering innovation, promoting trade and investment, and attracting top talent worldwide. These events serve as viable channels for SMEs to forge long-term relationships with key decision-makers.

Conveying his insight on the topic, Dubai Festivals and Retail Establishment CEO Ahmed Al Khaja remarked, "Dubai's success in securing major international conferences, congresses, meetings and incentives in 2023 was a reward for the robust efforts of all stakeholders across the public and private sectors." He went on and said, "Throughout 2024, the DBE team and partners will engage with meeting professionals and potential clients around the world, further elevating the city's positioning and competitiveness."

Al Khaja also accentuates the integral role of these events in driving wider tourist and economic development. He also mentioned that this is consistent with the overarching vision of the D33 Agenda.

Sustainable growth and strategic vision: Dubai's path to global prominence



Read the accompanying article for more information.



Dubai on the global stage

Dubai's unstoppable rise as a leading hub for commerce and trade is undeniable, thanks to its firm resolve to foster sustainable development and innovation. The city's emphasis on SMEs, manifested through projects like the Dubai International Growth Initiative, undeniably mirrors its recognition of these sectors as integral drivers of economic progress.

Strategic relationships between public and private entities, as well as a variety of tangible and intangible resources, will ultimately enable them to prosper in competitive global conditions. Moreover, the city's forward-thinking models, as seen through programmes such as the Dubai Economic Agenda (D33), are bound to multiply its resources and overall stronghold. When accomplished well, all of this will make Dubai a touchstone of economic superiority.

Additional information and resources



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The image shows a screenshot of a web application form titled "Become a Royalty Partner". The form is white and centered on a background of a desert landscape with sand dunes. The form contains the following fields:

- Company Name ***: A text input field.
- Type of Business (B2B/B2C/B2G) ***: A text input field.
- Company Website ***: A text input field.
- Company Location ***: A text input field.
- If not applicable, please type N/A.
- Company Industry ***: A dropdown menu with "Please Select" as the current selection.
- Product/Service ***: A text input field.
- Company Phone No.**: A text input field.
- Year of Establishment**: A text input field.

[Apply now](#)



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