



# Dubai's smart economy and what every business leader should know

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Technology is  
growing rapidly, and  
Dubai is growing with  
it at the same pace.

His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President  
and Prime Minister of the UAE and Ruler of Dubai





The UAE has long championed emerging technologies to build an ecosystem ready to adopt and lead in artificial intelligence. In 2017, it became the first country in the world to appoint a Minister of State for Artificial Intelligence, Digital Economy and Remote Work Applications. H.E. Omar Sultan Al Olama was appointed to the role in October 2017 by H.H. Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai.

The country is now moving further, with AI education set to become mandatory in all government schools, from as early as kindergarten. The goal is to develop future-ready talent equipped with innovation skills, digital fluency, and ethical awareness from a young age.

Dubai, in particular, is a city known for driving the digital transformation of both traditional and high-growth sectors. This strategic direction is not new. In May 1999, H.H. Sheikh Mohammed bin Rashid Al Maktoum announced a bold vision to bring all Dubai Government services online

within 18 months. This move made Dubai the [world's first fully digital government](#). Shortly after, in October of that year, the Dubai Internet City was launched.

Fast forward to the present, the emirate is accelerating its AI implementation strategy across public services and industry verticals to improve efficiency, attract investment, and boost economic competitiveness. It welcomes global talent and supports tech-driven SMEs and international entrepreneurs who are exploring how to start a business in Dubai or scale in the competitive business environment.

Today, doing business in Dubai means access to a smart city with advanced technological capabilities and infrastructure, as well as strong government support. This e-book seeks to understand how the city has become Asia's top smart city — and what business leaders need to know to navigate, partner, and succeed in this evolving ecosystem.

## Part I

# Dubai is Asia's top place in the IMD Smart City Index 2025





Dubai has climbed eight ranks to secure the 4th spot globally in the IMD Smart City Index 2025 — leading all of Asia. This ranking is a critical milestone in its digital transformation and positions Dubai among the world’s most future-ready urban economies. The new position reinforces the city’s reputation as a global smart city benchmark and significantly strengthens its appeal for doing business in Dubai.

The IMD Smart City Index, developed by the IMD World Competitiveness Center in Switzerland, evaluates cities based on how effectively they integrate digital technologies to improve quality of life. The assessment uses resident perception surveys across five categories: health and safety, mobility, activities, governance, and opportunities. Cities are graded in two dimensions: Structure (infrastructure) and Technology (digital services). Each city is then given an overall smart rating.

In 2025, Dubai achieved:

- Smart City Rating: A
- Structure Rating: A
- Technology Rating: A7
- Global Rank: 4th
- 2024 Rank: 12th

The city improved in 16 out of 20 technology indicators and across all four governance pillars. Key drivers behind Dubai’s rise as a smart city To understand Dubai’s upward movement in

## 1. Boosting smart mobility for urban efficiency

The emirate’s transport system ranked highly in the Index, with strong resident satisfaction across key digital solutions:

- Car-sharing apps: 69.7
- Real-time traffic updates: 81.2
- Bicycle-sharing services: 70.0
- Integrated online ticketing: 80.8

These smart mobility tools significantly reduce congestion and journey times. The network also supports faster delivery cycles and greater urban efficiency. These are vital operational enablers for founders and logistics-based firms setting up a business in Dubai.

## 2. AI adoption in public services and smart healthcare

The city is advancing its digital-first approach to governance and service delivery. Key highlights include:

- Medical appointments booked online: 84.5
- Free public Wi-Fi access: 78.3
- CCTV coverage for safety: 89.3
- Public issue reporting platforms: 78.0
- Real-time air quality apps: 60.5

These systems ensure smooth service delivery, enhance resident well-being, and support resilient business operations.

### 3. Transparent and responsive governance

Dubai's high governance ratings reflect strong public trust and digital transparency, specifically:

- Access to local government information: 86.8
- Confidence in low corruption levels: 67.3
- Public participation in proposals: 75.0
- Online ID and document processing: 85.4

Such efficient governance frameworks lower regulatory burdens and enhance investor confidence, which is crucial for foreign and domestic entrepreneurs

### 4. A culture of innovation and lifelong learning

The emirate's focus on skills development ensures a talent pool aligned with future market needs, particularly:

- Satisfaction with school quality: 75.7
- Lifelong learning availability: 70.1
- Minority inclusion: 80.6
- IT skills integration in schools: 76.8
- Job listing access: 77.5

These efforts foster a skilled, diverse workforce essential for scaling enterprises and enabling business growth.

### 5. Digital infrastructure that powers enterprise

The city's robust digital infrastructure supports high business agility:

- Tools for starting a business: 79.5
- High-speed internet access: 86.5

Efficient online public services — from licensing to verification — minimise friction, reduce setup

time, and lower operational costs.

### 6. Smart services that attract global talent

Quality of life remains a core strength of Dubai's appeal

- Green space access: 83.4
- Cultural venues: 86.5
- Online ticketing: 88.3

Recycling apps and city maintenance tools further support a clean and responsive urban environment, helping attract skilled global talent.

Top 7 factors behind Dubai's rise to the 4th spot in the IMD Smart City Index 2025



Read the accompanying article for more information.

## Part II

# An overview of the government's innovation- driven transformation







Dubai's performance is underpinned by long-term planning and strategic investments in infrastructure by the government. All reforms follow a structured, goal-driven approach aimed at building a sustainable and business-friendly smart city. These efforts ensure it remains competitive and fully aligned with the needs of investors and companies looking into how to start a business in Dubai.

### Dubai Quality of Life Strategy 2033

An important component of these reforms is the Dubai Quality of Life Strategy 2033. It was launched under the directives of H.H. Sheikh Mohammed bin Rashid Al Maktoum and announced by H.H. Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai, Deputy Prime Minister and Minister of Defence of the UAE, and Chairman of The Executive Council of Dubai.

This strategy includes:

- 200+ initiatives focused on sustainability, well-being, and accessibility

- 300% increase in public service provision within one year
- Expansion of women-only beaches
- 60% increase in nighttime swimming beach access
- 115 km of eco-friendly walking and cycling tracks
- Development of community centres for the elderly and people of determination
- Implementation of the '20-minute city' concept

### Dubai 2040 Urban Master Plan

The 2033 Quality of Life Strategy aligns with the broader [Dubai 2040 Urban Master Plan](#), which was launched in 2021. This long-term agenda focuses on creating a balanced, sustainable, and innovation-ready metropolis. Since its inception, over 17,400 residential plots have been planned, and dedicated legal frameworks for urban development have been established.

The plan aims to achieve a 105% increase in green spaces, recreational areas, and public parks in the following years. It also targets a

134% expansion in hospitality and tourism activities and plans to increase economic activity zones to 168 square kilometres. Additionally, the project aims to expand the land allocated for educational and healthcare facilities by 25% and to increase public beach areas by 400%.

These projects provide the physical foundations required to accommodate future population growth, digital innovation, and the needs of both SMEs and large-scale enterprises.

## Roads and Transport Authority

The Roads and Transport Authority has launched its Artificial Intelligence Strategy 2030, consisting of 81 targeted projects aimed at enhancing urban mobility and user experience. This roadmap complements the [UAE Artificial Intelligence Strategy 2031](#) and RTA's [Digital Strategy 2030](#), which shows a decisive move towards utilising data to improve governance and service delivery.

The strategy is anchored in six pillars, such as (1) people happiness, (2) seamless and innovative mobility, (3) intelligent traffic management, (4) cognitive licensing, (5) future-proof organisation, and (6) asset excellence. In turn, these key goals are backed by clear performance targets, namely:

- cut travel time by 20–30%, better traffic signals and AI tools for managing pedestrian movement;
- boost employee productivity by 25–40% using AI tools;
- reduce operational fees by 10–20% through smart supervision and asset management;
- improve customer engagement by 35%; and,
- raise partner compliance by 30–50%.

Notably, the RTA has already rolled out over 40

real-world use cases. These include smart parking systems and the integration of generative AI in platforms such as Mahboub, RTA's enterprise chatbot. Its Big Data Platform, now connected to 49 internal systems, has seen annual growth of 30%, reinforcing the digital backbone of Dubai's mobility infrastructure.

In line with inclusive economic development, the RTA has also extended [opportunities to the private sector](#), particularly SMEs, by opening 116 tenders in areas such as infrastructure, consultancy, IT, and investment. Scheduled through to the end of 2025, this initiative forms part of Dubai's [Public-Private Partnership Strategy 2024–2026](#). Simplified prequalification processes and diverse sectoral opportunities display Dubai's commitment to lowering entry barriers for entrepreneurs and fostering a competitive commercial landscape.

Finally, the RTA's collaboration with e& UAE to trial technologies such as 5G and Mobility-as-a-Service platforms signals a forward-looking approach to smart mobility. Needless to say, these developments support transport innovation and align with Dubai's wider ambitions to become a digitally connected and investor-ready city. Through the [RTA's proactive actions](#), Dubai's transportation system has outperformed those in Zurich, Oslo, and Geneva, the top three cities in the Index.

## Zero Bureaucracy and Digital Government initiatives

Among the excellent factors that led to Dubai gaining [global smart city recognition](#) is the larger UAE government's promise to implement Zero Bureaucracy and the Digital Government Strategy. These national measures seek to reduce duplicative administrative processes and digitise public services. For SMEs, which often

face challenges with complex compliance and limited resources, these changes help remove obstacles and facilitate faster market entry.

The [Zero Bureaucracy initiative](#) simplifies processes by consolidating several government procedures into user-friendly digital workflows. A prime example of this transformation is the Employment Package (Work Bundle), which integrates work permits, visas, medical tests, and biometrics into a single platform. This improvement reduces the steps involved from 12 to just one or two, making it particularly beneficial for SMEs that need to enter the market quickly without delays from outdated systems.

The [Digital Government Strategy 2025](#) builds on the Zero Bureaucracy initiative by creating a framework to enhance government services through modern digital tools. This strategy complements existing efforts, such as [Dubai's Blockchain Strategy](#) and [Paperless projects](#), which emphasise the importance of automation, unified systems, and real-time data sharing in contemporary governance.

It's important to note that collaborating with [esteemed corporate entities](#) can assist global companies in navigating complicated regulations more easily and efficiently.

### **Sector-specific innovation driving business readiness**

Dubai's sector-focused reforms are also critical to shaping a smart city ecosystem that supports sustainable growth and long-term business readiness. Innovations in healthcare, property technology, and workforce development show how the city is building a digitally enabled, investor-focused urban model.

## **Digital transformation in healthcare**

The Dubai Health Authority is advancing its healthcare infrastructure through AI-based innovation and institutional partnerships. Its digital strategy includes leadership training in AI, cybersecurity, and data governance. Notably, a partnership with ESCP Business School in Paris will train senior staff in AI applications within health services.

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DHA has also joined the '[One Million AI Promoters](#)' program, with 25% of its staff already trained and over 200 professionals completing additional courses via LinkedIn Learning. These initiatives are supported by the Dubai Future Foundation and the Dubai Centre for AI Applications, signalling a deliberate push towards an innovation-led health workforce.

These developments were showcased during [Dubai AI Week](#), a landmark initiative that will be explored in greater detail later in this report.

### **Human capital for a sustainable economy**

The Dubai International Financial Centre is driving education-led development through its '1 Million Learners' initiative. As part of the DIFC





Sustainable Finance Catalyst, this program aims to train one million people in sustainability and green finance by 2030.

Backed by 28 global partners — including Heriot-Watt University, CFA Institute, S&P Global, and the UNDP — the initiative ensures skill development aligns with global standards such as the UN Sustainable Development Goals and the EU's Corporate Sustainability Reporting Directive. GIST Impact has been appointed as the initiative's official impact partner to measure outcomes against these frameworks. This long-term vision for workforce development is vital for attracting international businesses seeking a highly skilled, future-ready talent pool.

### **Tokenisation in real estate**

The integration of [blockchain in real estate](#) marks a major leap in Dubai's digital infrastructure. Through a collaboration between the Dubai Land Department and Ctrl Alt, supported by VARA and the Dubai Future Foundation, real estate tokenisation is now possible via the XRP Ledger. This initiative allows fractional property ownership through PRYPCO Mint, starting from AED2,000.

By democratising access and ensuring regulatory compliance, this model expands the real estate market while enhancing investor trust. Projected to grow to AED60 billion by 2033, this innovation supports the broader objectives of Dubai's Real Estate Sector Strategy. It offers fintech firms and developers new opportunities in a secure, scalable, and forward-looking urban economy.

## Part III

# Smart infrastructure for global firms and enterprises





Dubai has gone well beyond just exploring the possibilities of artificial intelligence. The city is currently [scaling AI initiatives](#) with strong institutional support, regulatory foresight, and global partnerships, positioning itself as a leading model for smart cities and a prime location for business ventures.

Central to this movement is DUB.AI, a citywide initiative launched by H.H. Sheikh Hamdan bin Mohammed. The initiative aims to double the contribution of AI to Dubai's GDP and align technological advancements with national economic diversification strategies.

One of its flagship projects, the Dubai AI Academy, is housed in the DIFC Innovation Hub, which is the region's largest AI cluster. The academy intends to train 10,000 professionals through strategic academic partnerships with Oxford's Saïd Business School and Udacity. It focuses on AI leadership, implementation in government workflows, and ethical frameworks — essential elements for building scalable, AI-powered businesses.

Another key aspect of this transformation is the Dubai Future Foundation, the city's innovation strategy engine. Through platforms like the Dubai Centre for AI, DFF helps accelerate AI adoption across various sectors, including healthcare, urban planning, licensing, and fraud detection.

Initiatives under DFF include policy-making for ethical AI usage, scaling machine learning in city infrastructure, and nurturing public-private partnerships. These components are integral in ensuring that setting up a business in Dubai is crucial and seamless for start-ups and multinationals seeking future-proof operations.



## Hosting world-leading AI events to drive dialogue and investment

In an effort to be a convening ground for policymakers, innovators, and investors, Dubai also hosts major, future-focused events to shape the AI agenda and attract investment. These gatherings support innovation, strengthen international partnerships, and reinforce the city's role as a leading smart business hub.

One of the significant events is Dubai AI Week. This year's inaugural event gathered global experts and key institutions to present AI advancements. Notable highlights included the launch of the Dubai State of AI Report, which estimates that AI will contribute AED 235 billion to Dubai's economy by 2030.

In 2026, PropTech Connect, organised by the Dubai Land Department, will demonstrate how AI, [blockchain](#), and data science are transforming the real estate sector. This event aligns with the [Dubai Real Estate Sector Strategy 2033](#) and aims to attract global investors and technology leaders. In the first half of 2024 alone, proptech start-ups throughout the MENA region raised over \$200 million, underscoring their fertile ground for business innovation.

### The UAE–US AI partnership: Key details

The [recent AI partnership](#) between the United Arab Emirates and the United States materialises a new era in global technology diplomacy — one that places the UAE at the epicentre of next-generation artificial intelligence infrastructure. At its core is a groundbreaking initiative: a 5-gigawatt AI data centre campus in Abu Dhabi, jointly announced by UAE President H.H. Sheikh Mohamed bin Zayed Al Nahyan and U.S. President Donald Trump.

Developed by G42, a major Emirati AI firm chaired by H.H. Sheikh Tahnoun bin Zayed Al Nahyan, the facility will host [American-run hyperscale cloud platforms](#), creating sovereign infrastructure with global interoperability. While the data centre is physically located in Abu Dhabi, its technological and economic ripples will undoubtedly be felt in Dubai.

Notably, G42 will partner with OpenAI, Cisco, SoftBank Group, Oracle, and NVIDIA to launch a [1-gigawatt Stargate UAE cluster](#) in Abu Dhabi. Specifically, in 2026, a 200-megawatt AI cluster is projected to go live.

One of the partnership's most transformative elements is the UAE's annual access to up to 500,000 Nvidia high-performance AI chips, starting in 2025. These chips are vital for developing large language models, generative AI applications, and data-intensive business services. For entrepreneurs and established companies building businesses in Dubai, this means unprecedented access to computational power on par with global tech hubs like Silicon Valley and Singapore.

With this AI backbone, homegrown and international businesses located in Dubai across sectors like fintech, healthtech, logistics, and property technology can scale globally from day one — deploying complex AI models locally, with lower latency and greater security.

Inside Dubai's AI infrastructure: A guide for urban tech and smart mobility innovators in 2025



Read the accompanying article for more information.

## Part IV

# Setting up and scaling an AI business in Dubai







Dubai's transformation into a smart city has significantly advanced its infrastructure. This development has created an environment that nurtures companies leveraging AI to address real-world challenges and scale globally.

According to the [State of the AI Economy in Dubai](#) report shared by H.H. Sheikh Hamdan bin Mohammed, over 800 verified AI companies are currently operating in Dubai, with 66% headquartered in the city. Notably, 72% of these are SMEs and tech start-ups, and 48% focus on AI software development as their core activity. These figures underline Dubai's growing global reputation as a hub for trusted and forward-looking AI enterprises.

### **Companies with unicorn status in Dubai**

Several start-ups that originated in Dubai have now reached unicorn status, proving the city's readiness to [support cutting-edge business ventures](#).

Dubizzle Group, formerly Emerging Markets Property Group (EMPG), is a notable example. The [company rebranded in 2023](#) to reflect the popularity of the Dubizzle name across its markets. Founded in Dubai in 2006, Dubizzle merged with Bayut in 2020 and achieved unicorn status that same year. The platform

uses AI to enhance user experience in online classifieds and property listings. After raising over \$200 million in funding in 2022, the company is now preparing for an [initial public offering](#).

Another key player in the market is Vista Global Holding, which reached unicorn status in 2018. Headquartered in Dubai, Vista Global offers AI-driven private aviation services through a subscription-based model. Its platform uses intelligent algorithms to optimise aircraft routing, demand forecasting, and service personalisation, making business aviation more accessible and efficient. The company's success reflects Dubai's supportive environment for data-centric, high-tech service models.

### **Importance of partnering with an established local company**

The emirate's infrastructure, policies, and funding environment create a [reliable base for entrepreneurs](#) looking to start a business. The process of company set-up is straightforward, with many free zones offering zero income tax, access to world-class logistics, and a globally connected talent pool. Whether an enterprise is focused on real estate, logistics, health technology, or mobility, Dubai provides strategic advantages for scaling tech-powered operations.

However, succeeding in this environment often requires support from established private VCs or [sovereign-backed corporate institutions](#). Companies such as Seed Group, a company of The Private Office of Sheikh Saeed bin Ahmed Al Maktoum, collaborate with high-potential businesses to provide assistance with market entry, regulatory compliance, and cultural integration. Seed Group specifically partners with cutting-edge firms in areas such as AI-powered aviation and AI for chemical discovery to facilitate smooth market entry into Dubai's lucrative business environment.

It's also important to note that AI companies seeking credibility and long-term partnerships in the city should pursue the [Dubai AI Seal](#), introduced by the Dubai Centre for Artificial Intelligence. Here are the key details of the initiative:

- This certification program classifies AI companies into six tiers—E, D, C, B, A, and S, with 'S' representing the highest level of economic contribution.
- Companies are evaluated based on several factors, including their AI activities, workforce, current and future projects, and public-private partnerships. Holding the AI Seal is increasingly becoming a prerequisite for collaboration with government entities and serves as a trusted badge of compliance, capability, and innovation.
- Certified firms receive a unique serial number and are authorised to display the seal across their platforms.

Undeniably, gaining an AI Seal enhances a company's visibility and trust in the city's AI-driven ecosystem.





## To thrive in a future-ready city: Quick points

Dubai's rise as [Asia's leading smart city](#) is a result of decades of visionary policy, cutting-edge investment, and a relentless focus on the future. Undoubtedly, the emirate offers a springboard for regional and international success. To capitalise on this potential, firms must ensure to:

- Leverage Dubai's world-class digital infrastructure
- Engage with government-led innovation hubs, accelerators, and smart city initiatives
- Partner with reputable entities like Seed Group to optimise market entry and ensure growth
- Seek certification through the Dubai AI Seal (if applicable)

With the right strategy, businesses can thrive in the competitive and lucrative environment that Dubai offers.

### Additional information and resources



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We would welcome your feedback on this eBook – please email [marketing@seedgroup.com](mailto:marketing@seedgroup.com).

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