

غرفة دبي  
DUBAI CHAMBER

الرقمية DIGITAL

# DUBAI'S DIGITAL ECONOMY

## AND ITS EXPANDING STARTUP ECOSYSTEM

Dubai's startup ecosystem will have raised over US \$2 billion when 2022 is over, and self-employed and digital economy roles in the country have tripled in size. Learn from some of the hottest home-grown startups and global transplants about why Dubai is well-positioned to become the next digital economy capital of the world.

In collaboration with:

**Entrepreneur**  
MIDDLE/EAST



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# EDITOR'S NOTE



*Erika M. Welch*

**Erika Masako Welch**

Chief Content Officer, Special Reports  
Entrepreneur & Lucidity Insights  
erika@bncpublishing.net

Few markets in MENA can say they have a 20-year old startup eco-system that has given birth to a half dozen unicorns. Dubai boasts players like Souq.com (est. 2005, acquired by Amazon in 2017), Emerging Markets Property Group (EMPG) which owns and operates Dubizzle (est. 2005) and Bayut.com (est. 2008), Careem (est. 2012, acquired by Uber for \$3.1 billion valuation in 2019), Swvl (est. 2017 in Cairo, relocated HQ to Dubai in 2019), and the latest golden child, cloud kitchen operator, Kitopi (est. 2018). Dubai is, and always has been, the digital startup hub of choice in the MENA region for international unicorns such as those from the old guard, (think Google, Meta, Apple, and Amazon), to the newest unicorns on the block, including but not limited to players like Binance, Stripe, TikTok, Turtlemint, Deliverect, Swvl and more. For new and old digital economy heavy-weights and light-weights alike, Dubai is the launching point for the rest of Middle East and Africa, and sometimes Turkey, Pakistan and India too.

In our first Special Report in this 3-part series, we dove deep into the government's strategies towards making Dubai the next digital economy Capital of the world. We laid-out Dubai's ambitions, its various targets to 2031, and mapped out for you the infrastructure and the resources that both the government and the ecosystem itself has spawned to support itself.

In this 2nd Special Report, we take a deeper look at some of the data that are making Dubai startups, their investors, and the government of Dubai feel that their ambitions are well-founded. It starts with Dubai's talent competitiveness, which puts it on par with that which is offered by Luxembourg.

The UAE is also one of the easiest places in the world to do business, and for digital economy workers, the latest LinkedIn data shows us that it's on a trend to get even easier. The workscape is shifting in the UAE, with both the number of digital economy jobs on offer, as well as the number of jobs with remote work options - more than tripling last year.

Dubai-based startups also raised a staggering 96% of all funds raised in the UAE since 2017, making it clear that the city is already the place to be for a startup looking to fundraise. Even more impressive, is that the UAE lays claim to half of all funds raised by startups across all of MENA (excluding Israel) since 2017. And Dubai shows no sign of slowing down; up until 31 October 2022, startups in Dubai had raised more than USD \$2 billion (out of the country's total fundraising of \$2.5bn). The fundraising figure for 2022 is expected to surpass the total amount fundraised in the previous four years, combined!

This special report looks to the startup stories that tell a more recent story about Dubai's digital ecosystem. Kitopi's growth story shows local startups and investors that sums over US \$800 million can be raised, and that Unicorn status can be achieved in less than four years. InstaShop's growth story tells us that massive exits are possible with startups that raise less than \$1 million in seed capital. Homegrown Insurtech player Sehteq tells us that a \$50M revenue business can be grown in three years. A handful of other features with players like Binance, Deliverect, Turtlemint, and Talabat all provide a different perspective and speak to why they've decided to either move their headquarters to Dubai, or enter the Dubai-market from their home-countries.

If you like this and the previous Special Report on our "Dubai's Digital Economy" series, we hope you'll keep an eye-out for our next and final report, looking at the Investment landscape and speaking to the key VCs that are seeing the digital economy startup ecosystem shift, as it happens.



# FOREWORD

The world we live in today is almost unrecognisable to someone from just a couple of decades ago. Digitalisation has made it to almost every economic and social activity, radically transforming the way we live our lives, and the way our societies, businesses, and economies function.

While only half a century old, the UAE's economic, social, and technological transformation has propelled our young country to the fore, on par with the most developed nations of the world. The tremendous progress we have achieved – and at lightning speeds – has commanded international attention.

Over the past two decades, there have been several digital transformation initiatives implemented across the country, which have facilitated the adoption of innovative technologies within all segments of society. But the transformation goes far beyond just introducing digital technology, Dubai and the UAE have been working to build a full-fledged digital economy.

Having a developed digital sector is one thing, but a 'digital economy' indicates that digitalisation has gone far deeper, spreading across every sector of the economy. And this is

where we are in the UAE; we have adopted an ambitious strategy that aims to double the contribution of the digital economy to the country's GDP, taking it from 9.7% to 19.4% over the next decade<sup>1</sup>.

Dubai, for its part, is spearheading this transition, embracing avant-garde technologies from Web 3.0 to the metaverse, and from blockchain to artificial intelligence. The emirate has led the charge on the tech front and is now home to a highly advanced technological infrastructure, rolling out game-changing smart city solutions.

These accomplishments, coupled with the backing of our government and our leadership, empower Dubai to truly become one of the most advanced Silicon Valleys of the region, and of the world. The emirate can, in fact, already claim that status – Dubai alone accounts for 57% of scaleup funding in the MENA region and is home to 39% of the region's scale-ups<sup>2</sup>.

The formation of the Dubai Chamber of Digital Economy by His Highness Sheikh Mohammed Bin Rashid Al Maktoum,

<sup>1</sup><https://mediaoffice.ae/en/news/2022/April/11-04/Mohammed-bin-Rashid-chairs-the-cabinet-meeting>

<sup>2</sup><http://wam.ae/en/details/1395303034440>



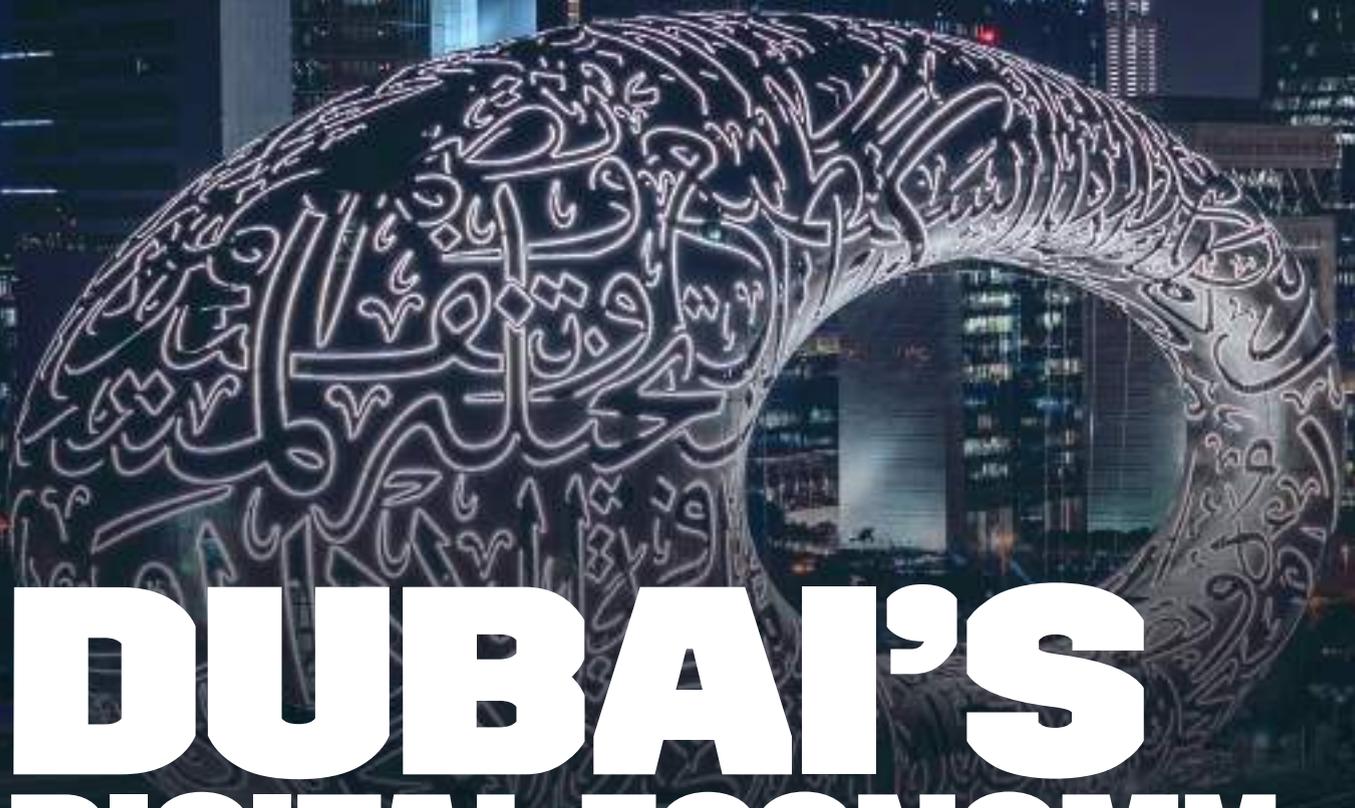
Vice President and Prime Minister of the UAE, Ruler of Dubai, was a major milestone to recognise Dubai's pioneering role in building the digital economy, building on it and expanding it to meet and exceed future requirements.

One of three chambers operating under Dubai Chambers, the Dubai Chamber of Digital Economy strives to capitalise on new opportunities emerging from digitalisation and the expansion of Fourth-Industrial-Revolution (4 IR) technology across all sectors of business, generating new and bold initiatives to attract digital companies to Dubai and elevate the emirate's position as a one of the most innovative global hubs for digital businesses.

The best proof we can provide entrepreneurs and techpreneurs looking to relocate to Dubai is to highlight the scores of successful start-ups that have either emerged from the emirate or came to Dubai from around the world to set up shop. This report does just that; passing the microphone to start-up and SME owners and letting them tell the world why Dubai will become the next digital economy capital of the world.



**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



# DUBAI'S DIGITAL ECONOMY IN FOCUS

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 vast majority going to Dubai-based startups.

96% of all funds raised in the UAE since 2017 have been raised by startups headquartered in Dubai. This makes Dubai attractive for both local startups as well as regional and global startups looking to become Dubai transplants. Dubai is now setting its sights even higher, aiming to become the next global capital of digital economies. The UAE government launched the UAE's Digital Economy Strategy in April 2022. The Digital Economy Strategy aims to double the contribution of the

digital economy to the UAE's GDP from 9.7% to over 20% by 2031. By 2031, the national digital economy is expected to be conservatively valued at well over US\$140 billion (from today's ±\$38 billion). Dubai expects to nurture and establish 20 unicorn startups by 2031, and has detailed strategies on how the country can become a world leader in 5G, IoT, blockchain, digital assets, biotech, web3.0 and metaverse applications.

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



01

**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.

02

**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.

03

**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.

## 04

**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.

## 05

**Dubai has 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.

## 06

**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.

# 07

## 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.

# 08

## 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, and Smart Dubai Government Establishment with the key task of digitizing life in Dubai while accelerating cybersecurity efforts.

# 09

## 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.

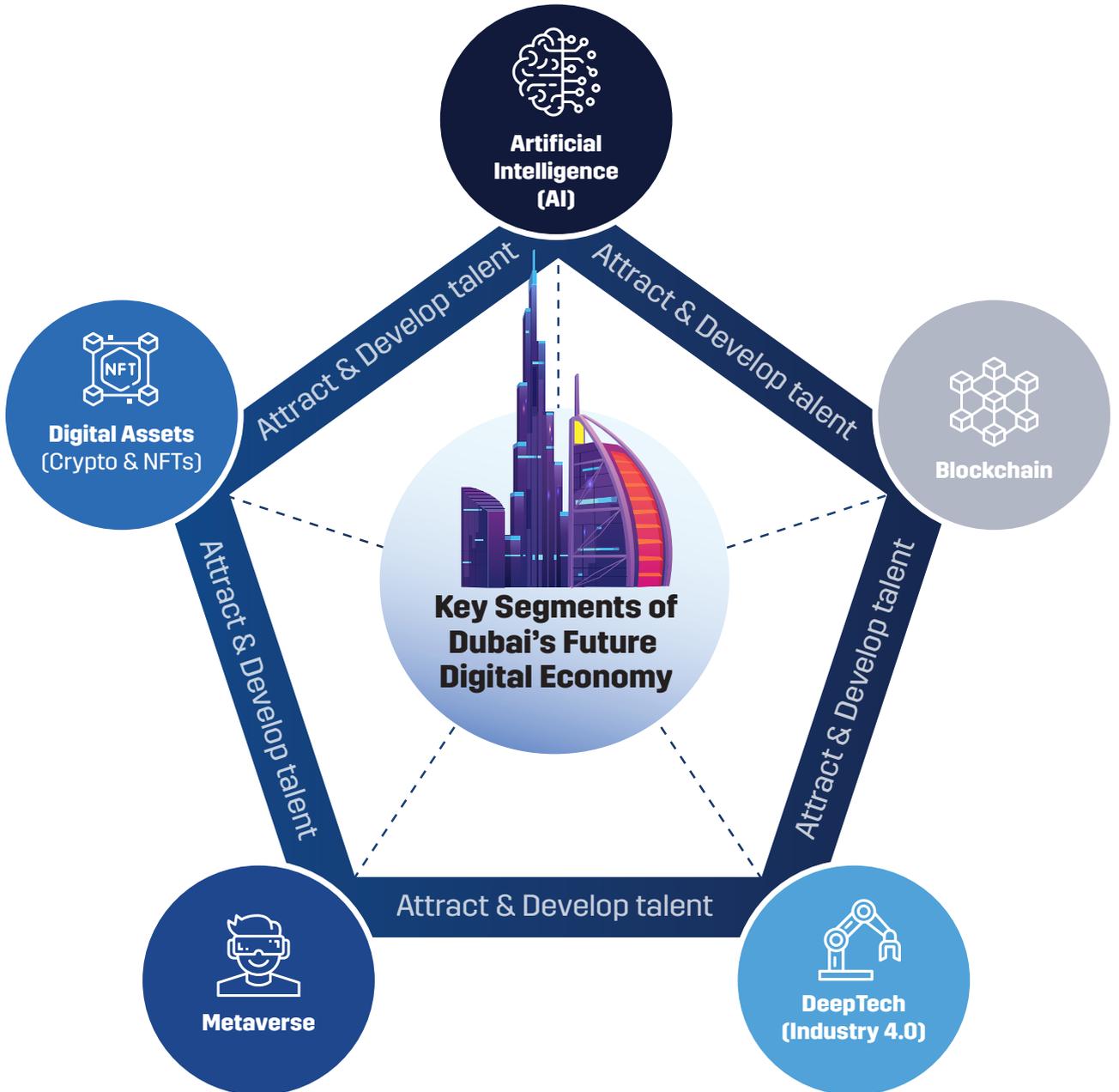
# 10

## 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 ironed 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



# KEY STRATEGIES, DRIVERS AND STAKEHOLDERS BEHIND DUBAI'S DIGITAL ECONOMY

**FEDERAL LEVEL**

### KEY STAKEHOLDERS



UNITED ARAB EMIRATES  
MINISTRY OF ECONOMY



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



UNITED ARAB EMIRATES  
MINISTER OF STATE FOR GOVERNMENT  
DEVELOPMENT & THE FUTURE OF WORK



UNITED ARAB EMIRATES  
MINISTRY OF EDUCATION  
& HIGHER EDUCATION



كشور دبي  
TDRS  
الهيئة العامة لتنظيم  
الاتصالات وخدمات  
الخدمات الإلكترونية

### KEY FEDERAL STRATEGIES & GUIDING PRINCIPLES

UAE Centennial 2071

UAE 10 Principles for Next 50 Years

Fourth Industrial Revolution Strategy

UAE Digital Economy Strategy

UAE Strategy for Artificial Intelligence

Emirates Blockchain Strategy

### KEY OVERSIGHT COMMITTEE: UAE Digital Economy Council

### KEY PERFORMANCE INDICATOR & TARGET OUTCOME:

- Double Digital Economy Contribution to 20% of National GDP by 2031
- Establish 20 Unicorns (Start-ups valued over \$1 Billion) in The UAE by 2031
- To Become a Leading Global Hub for 4th Industrial Revolution Applications (Physical Technology, Digital Technology, and Biotechnology)



UNITED ARAB EMIRATES  
THE CABINET

Source: Lucidity Insights Research

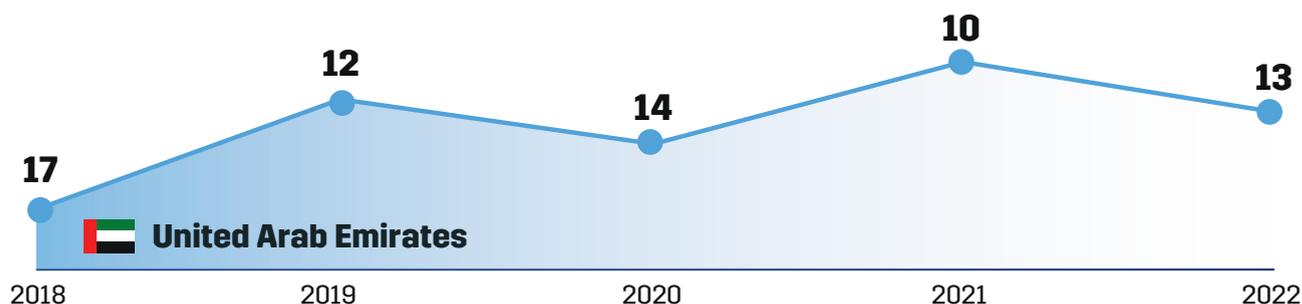


<p><b>DUBAI EMIRATE</b></p>	<p><b>KEY STAKEHOLDERS</b></p>
	<p><b>KEY EMIRATE LEVEL STRATEGIES &amp; GUIDING PRINCIPLES</b></p> <p>Dubai Digital Economy Strategy      Dubai Blockchain Strategy      Dubai Metaverse Strategy</p>
	<p><b>KEY OVERSIGHT COMMITTEE:</b> Dubai Higher Committee of Future Technology &amp; Digital Economy</p> <p><b>KEY PERFORMANCE INDICATOR &amp; TARGET OUTCOME:</b></p> <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>

## DUBAI'S DIGITAL COMPETITIVENESS

The United Arab Emirates has consistently been ranked as a country in the top 20 on the IMD's Digital Competitiveness Rankings for the past five years. In 2021, the UAE broke into the Top 10 list, though it slipped a few places to 13th in 2022. The UAE, alongside South Korea and China, have been the overall top gainers in the World Digital Competitiveness rankings in 2021, highlighting the UAE's commitment to continuous improvement and development of its knowledge intensive economy that is able to explore, adopt and produce digital technologies at scale.

IMD'S DIGITAL COMPETITIVENESS RANKINGS: UAE'S RANK FROM 2018-2022



Ranking	2021 Top 15 Ranking	2022 Top 15 Ranking	Change
1	USA	Denmark	▲ +3
2	Hong Kong	USA	▼ -1
3	Sweden	Sweden	▲▼
4	Denmark	Singapore	▲ +1
5	Singapore	Switzerland	▲ +1
6	Switzerland	Netherlands	▲ +1
7	Netherlands	Finland	▲ +4
8	Taiwan	South Korea	▲ +4
9	Norway	Hong Kong	▼ -7
10	United Arab Emirates	Canada	▲ +3
11	Finland	Taiwan	▼ -3
12	South Korea	Norway	▼ -3
13	Canada	United Arab Emirates	▼ -3
14	United Kingdom	Australia	▲ +6
15	China	Israel	▲ +2

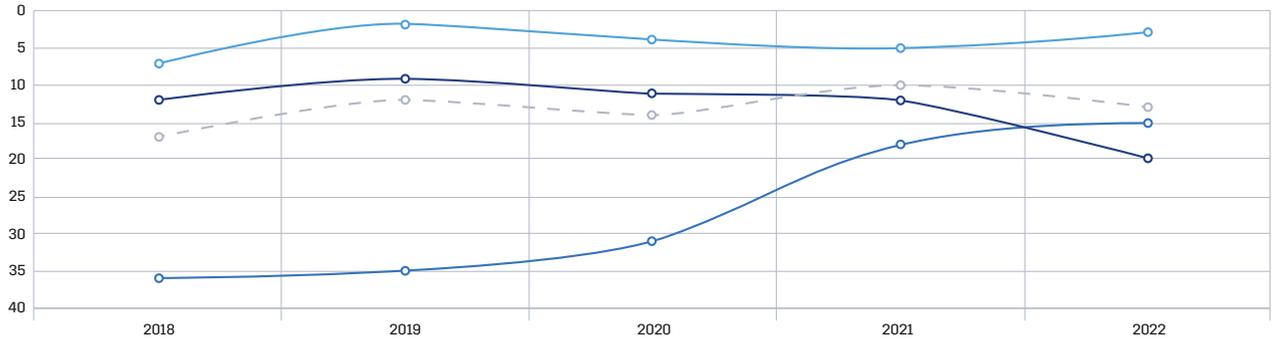
Source: IMD World Digital Competitiveness Rankings 2022

The Digital Competitiveness Rankings can be divided into three sub-categories: Knowledge, Technology, and Future Readiness. The UAE ranks 15th in Knowledge, 3rd in Technology and 20th in Future Readiness. The area in which Dubai and the UAE is continuously improving and is globally dominant, is in Technology. The Technology Factor assesses the overall context through which the development of the digital technologies is enabled. Technology is evaluated in the rankings by looking at the access to capital, the quality of the technological frameworks and infrastructure in place, and the friendliness of regulatory frameworks towards technology and innovation in the private sector, and concentration of scientific R&D labs and institutions in the country. The UAE ranks 3rd in the world for both regulatory frameworks and technological frameworks, 10th in the world for access to

capital, and is weakest in terms of available advanced R&D labs and scientific concentration (at #46).

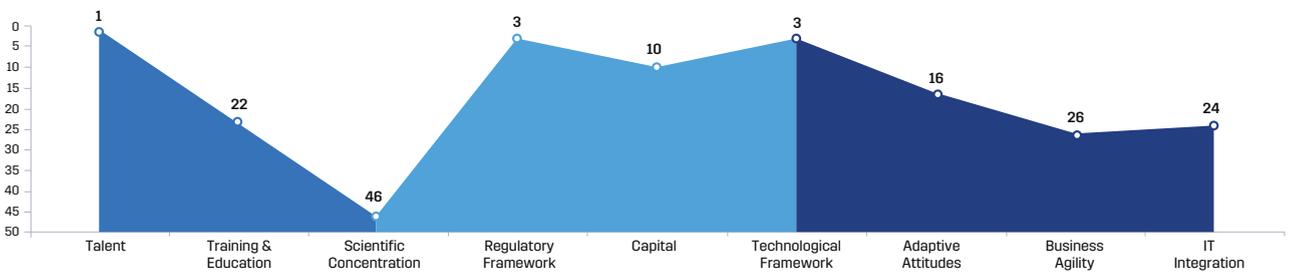
Though the UAE is ranked 15th for Knowledge, it is ranked 1st in the world in terms of talent and access to talent, which is a major driver for growth. The Knowledge Factor refers to the intangible infrastructure that underlines the process of digital transformation through the discovery, understanding and learning of new technologies. These aspects are captured by indicators that measure the quality of the human capital available in the country, the level of investments in education and research as well as the outcomes of these investments (e.g. registered patent grants in high-tech fields or scientific publications in academic journals).

### UNITED ARAB EMIRATES: OVERALL DIGITAL COMPETITIVENESS RANKINGS & FACTORS

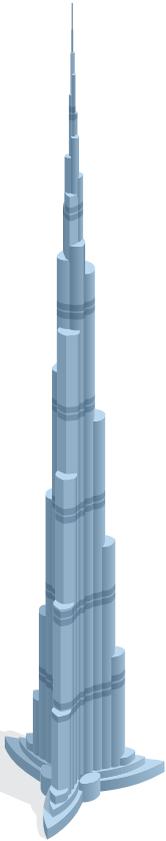


	2018	2019	2020	2021	2022
Overall Rank	17	12	14	10	13
Knowledge	36	35	31	18	15
Technology	7	2	4	5	3
Future Readiness	12	9	11	12	20

### 2022 RANKING ACROSS FACTORS



Source: IMD World Competitiveness Center



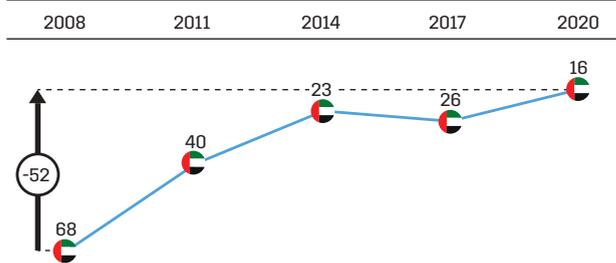
# 12 GRAPHS THAT WILL EXPLAIN

Why Dubai is well-positioned to become the next digital economy capital of the world

A picture is worth a thousand words they say. An infographic just about says it all.

01

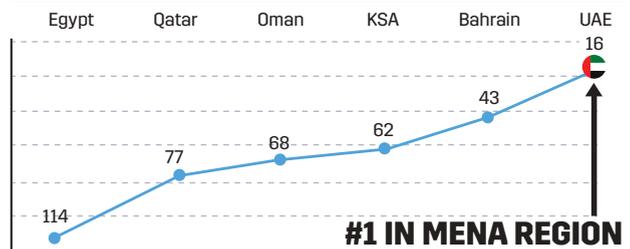
**EASE OF DOING BUSINESS RANKING PROGRESS - SINCE 2008**



Source: World Bank

02

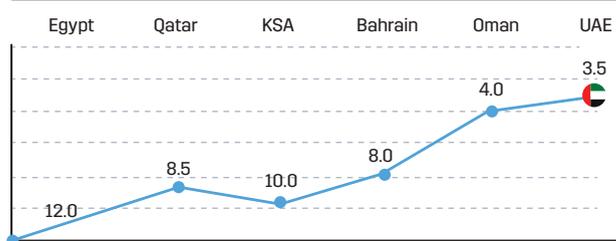
**EASE OF DOING BUSINESS RANKING - 2020**



Source: World Bank

03

**NUMBER OF DAYS TO START A BUSINESS - 2020**



Source: INSEAD Global Talent Competitiveness Index, 2020

04

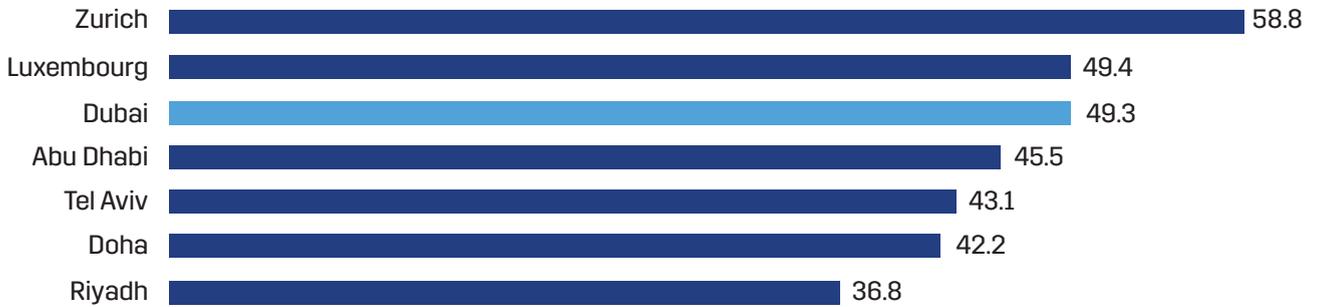
**LABOR FREEDOM - 2021**



Source: World Bank

# 05

## CITY COMPARISON - Global Talent Competitiveness Index 2020



Source: Global Talent Competitiveness Index by INSEAD

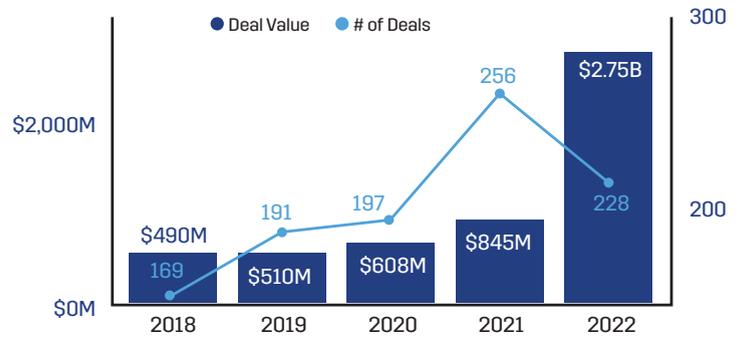
# 06



Source: Pitchbook

# 07

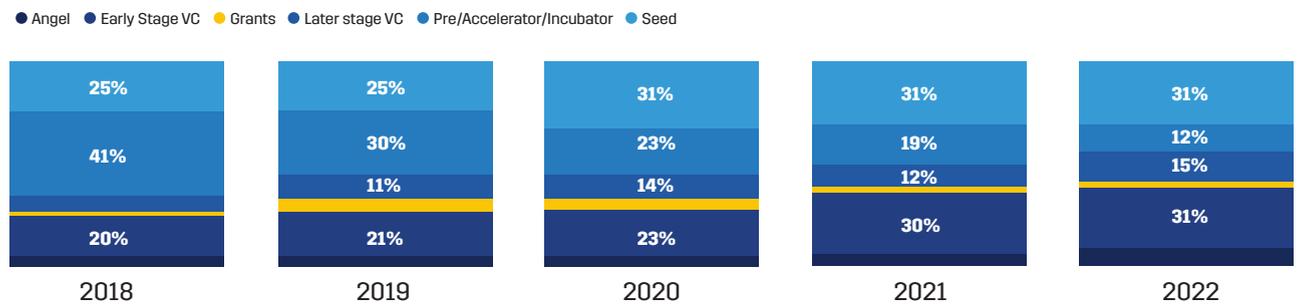
## VC FUNDING IN UAE BY AMOUNT AND NUMBER OF DEALS



Note: Full year data was collected for all years including VC rounds, PE rounds and Corporate rounds.

# 08

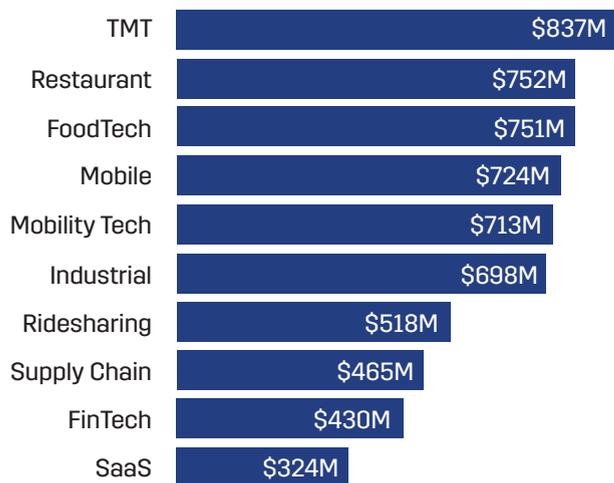
## VC FUNDING IN UAE BY DEAL TYPE (% OF TOTAL NUMBER OF DEALS)



Source: Pitchbook data, prepared by Dubai Chambers Economic Department

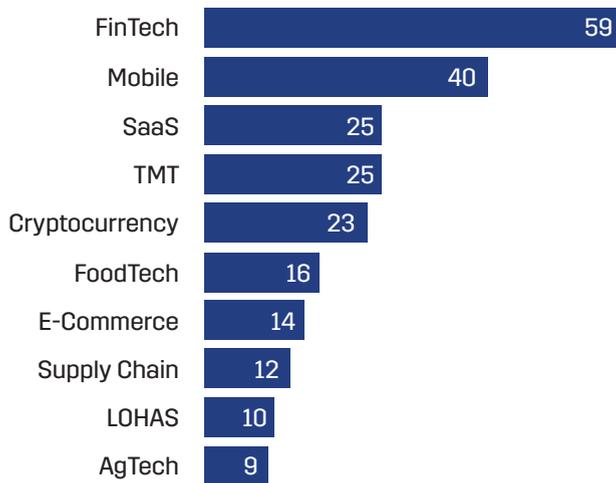
# 09

## TOP INDUSTRIES BY TOTAL FUNDING IN UAE, 2022



# 10

## TOP INDUSTRIES BY NUMBER OF DEALS IN UAE, 2022



Note: 2022 data for Graphs 09, 10 are Year to Date (until 31 October 2022)  
 Source: Pitchbook Data, prepared by Dubai Chambers Economic Research Department

# 11

## MOST FUNDED DUBAI-BASED STARTUPS TO DATE

Rank	Organization Name	Total Funding Amount
1	Telegram	USD \$2.7B
2	KITOPI	USD \$804M
3	Careem	USD \$800M
4	empg	USD \$479M
5	SOUQ <small>an amazon company</small>	USD \$460M
6	tabby	USD \$264M
7	SWL	USD \$264M
8	FENIX GAMES	USD \$150M
9	Property Finder	USD \$142M
10	channel vas	USD \$104M

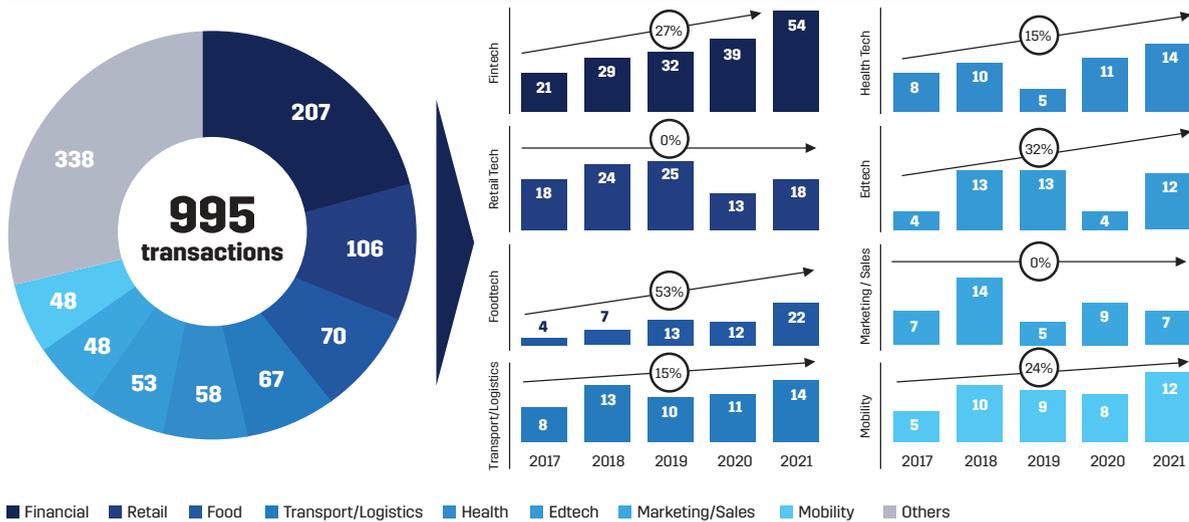
Source: Crunchbase

Note 1: Telegram's astronomical fundraising was raised through an Initial Coin Offering (ICO); Telegram Messenger is not a Dubai-born start-up, but is a Dubai transplant; the tech company's leadership all call Dubai home and operate predominantly from Dubai.

Note 2: Total Fundraising Amount includes both equity and debt funding, based on Crunchbase data as of 9 December 2022

# 12

## NUMBER OF TRANSACTIONS ACROSS EACH SECTOR WITH TOP EIGHT SECTORS BY VOLUME OF TRANSACTIONS



Note: 2022 data is sourced until 12 July 2022

Source: Crunchbase, Lucidity Insights Research



غرفة دبي  
DUBAI CHAMBER  
DIGITAL الرقمية

# DUBAI CHAMBER OF DIGITAL ECONOMY

## AMBITIOUS PLANS FOR DUBAI'S DIGITAL DOMINANCE

The Dubai Chamber of Digital Economy (DCDE) is one of three independent chambers operating under the umbrella of Dubai Chambers. DCDE was created to build the world's best digital infrastructure and transform Dubai into an international technology hub, as set-out in the Dubai Digital Economy Strategy. As Dubai sets its sights on becoming the global destination of choice for digital entrepreneurs, DCDE is tasked with attracting leading tech companies, startups and scaleups that can support Dubai's digital ambitions.

**OBJECTIVES AND STRATEGIES FOR DUBAI'S DIGITAL ECONOMY**



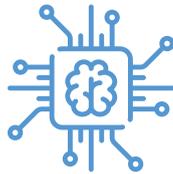
**Attract  
300 digital startups**  
to Dubai by the end of  
2024



**Propose improvements and  
changes to laws and policies**  
that support the growth of  
the digital economy



**Organize an  
international conference**  
on the new digital  
economy



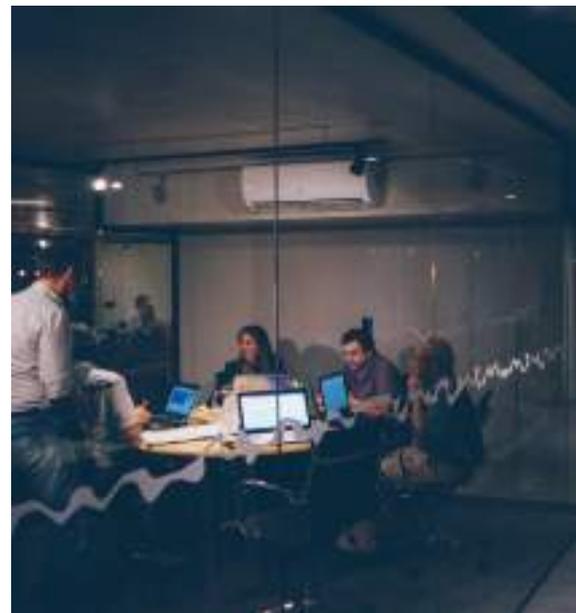
**Promote  
digital transformation**  
across national  
companies



**Enhance  
the business environment**  
to attract global digital  
firms

Dubai has been successful in developing an ecosystem which has seen increased funding into startups year after year. Another testimony to the support and infrastructure provided is the increased number of deals in the early stages of funding including seed round and early-stage rounds of funding; this indicates a regular 'seeding' of the ecosystem with new startups, many of which dream to become unicorns one day. In 2022 itself, Dubai-based startups have raised US\$ 2.5bn in total across 192 transactions completed until the end of October. The amount of funding raised in the first 10 months of 2022 accounts for half of all the funding raised between 2018 till 2022.

Supporting the growth of startups in Dubai is a key focus of DCDE's 2022-2024 strategy. DCDE considers this segment of the business community to be a key economic contributor and source of innovation for Dubai. The country has opened its borders with green (digital nomad) visas and golden visas, and various initiatives to attract advanced technology companies and talent to set roots in Dubai. According to the World Bank, the UAE is the highest-ranking economy in the Middle East and North Africa region when it comes to ease of doing business due to its "smart" services. Research by Savills, a real estate consultancy, places Dubai as the 3rd best city in the world for digital nomads to live in.





# غرفة دبي DUBAI CHAMBER

Dubai Chambers  
Higher Board

The DCDE 2022-24 strategic plan is stewarded by the recently formed Dubai Chamber of Digital Economy's Board of Directors.

Dubai Chambers  
of Commerce

Dubai International  
Chamber

غرفة دبي  
DUBAI CHAMBER  
الرقمية DIGITAL

We sat down with Rashid Mohamed Alabbar, one of the newly appointed Board Members of the Dubai Chamber of Digital Economy to talk about his personal entrepreneurial journeys, the ecosystem and infrastructure provided in Dubai for entrepreneurs, and how it has changed over the decades, as well as his role at DCDE. The conversation provides a sneak peek into how some of Dubai's business leaders are thinking about Dubai's ambitions and how they expect them to be realized.





In Conversation With

# RASHID ALABBAR

Serial Entrepreneur and Board Member, Dubai Chamber of Digital Economy

سِيْوِي  
SIVVI



After starting his career within the UAE banking industry, Rashid Mohamed Alabbar caught the entrepreneurial bug quite early and launched three companies in relative succession between 2012 and 2013. The first was Alabbar Enterprises, which invests in brick-and-mortar franchise F&B and retail concepts across the UAE, from foodtruck concepts like Karak House to high-end French Patisserie Café's like Angelina. This followed up with Sivvi.com and Symphony Investments, both focused on e-commerce.

Sivvi.com is an e-commerce website which sells clothing, footwear and

accessories from more than 200 high-street, sports, beauty and lifestyle brands. Via Symphony Investments, which Rashid also chairs, he moved into luxury online retail through a joint venture with Yoox Net-a-Porter (YNAP), which owns six multi-brand websites including Net-a-Porter.com.

When Rashid started over 10 years ago, he saw an opportunity in the market at the time recognizing that e-commerce penetration was much lower in the region at ~1%, compared to more developed markets, which stood at 5%. Given that internet penetration in the UAE was one of the highest in

the region, coupled with Dubai being a fashionable city that is home to an extremely young and tech-savvy population, Rashid saw the market opportunity and seized it.

When we spoke with him, he acknowledged that "Dubai is a leading city in terms of adoption of online shopping, digital payments and new patterns of consumer behaviour. Most of the international or even large regional online players chose Dubai as their starting hub," and he says it was no different for him. He continues, "Dubai is strong market for entrepreneurs to bring their e-commerce solutions and

platforms, since consumers here are open to new ideas and new solutions. The diversity of the consumer base makes it a good testing ground for various businesses.”

While there's demand, Rashid tells us that entrepreneurs are further encouraged by the talent available, which is one of the main reasons Dubai is considered as a hotspot to launch from. But he also remarks that in order to become the digital economy capital of the world, the city needs to continue to attract talent, that can establish new innovative digital startups or help scale already existing ones. This is where Dubai's high quality of life and ease of doing business supports the wider vision. Dubai ranks high on safety,

livability, and stability, each of which are important factors towards attracting top talent from around the world.

Dubai is already on the right track, as it has helped the UAE rank 1st worldwide in the 2022 Global Entrepreneurship Index, moving up from 4th place in 2021. The country has the highest total score by a clear margin, having improved in 11 of the 13 framework conditions and scoring highest overall out of 47 economies in four of them. Among all the countries that were assessed, the UAE is the only one to have scored “sufficient” or better across all parameters.

For such a young metropolis, the city has already achieved so much, setting

an example of urban development and innovation for other emerging cities. However, Rashid stated that “subsequent goals will be even loftier, creating additional pressure to constantly improve and keep moving.” He continues, “and therefore, we must continue innovating and continuing to keep pushing the bar higher.” Rashid is confident that, given the multitude of factors attracting entrepreneurs and innovators to the city, Dubai's entrepreneurialism and dynamism is sure to continue to grow. He looks forward to contributing to the Dubai Chamber of Digital Economy's board, putting his decade of digital economy startup experience to good use. “It's certainly an exciting time for the city.” He says, with a smile.





# DUBAI'S

## DIGITALIZING WORKFORCE

LinkedIn published a report on “The Great Reshuffle”, which covered how the UAE is embracing a new world of work.



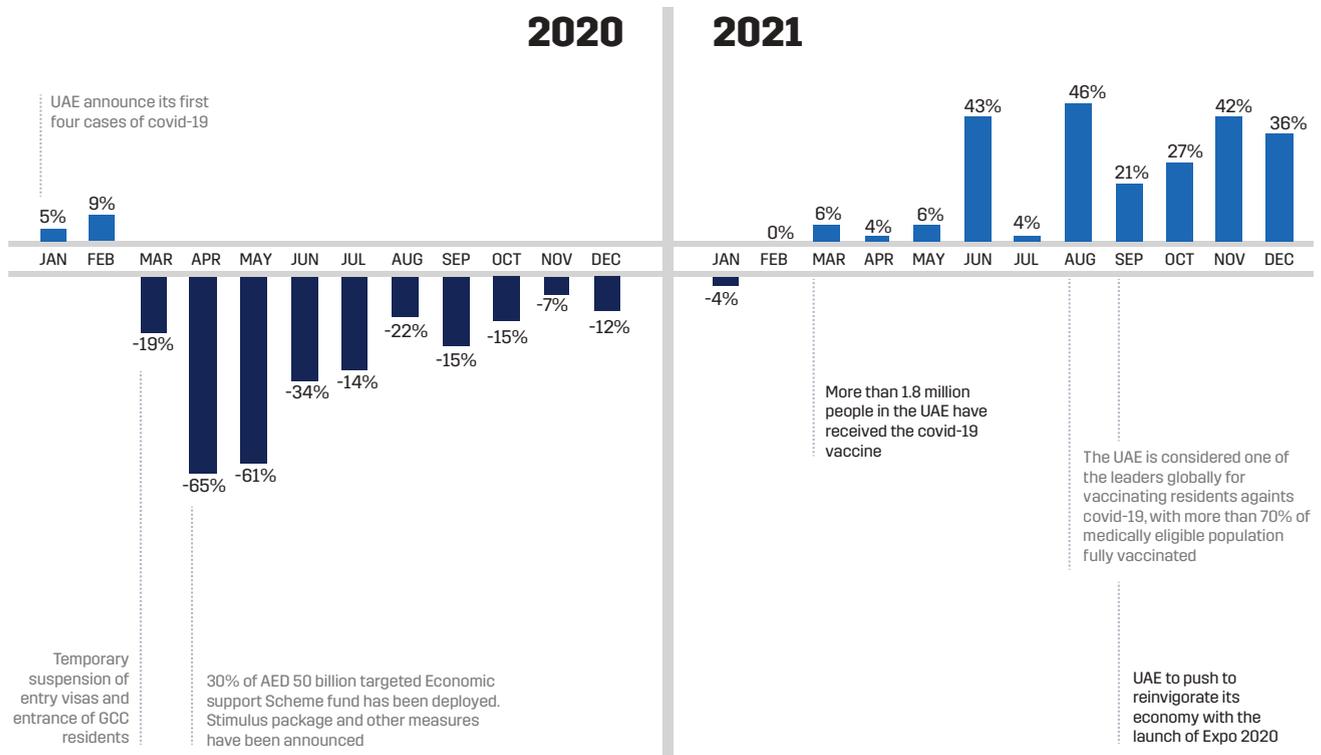
The report, in partnership with the UAE Ministry of Economy, analyzed the 5 million-strong member base in the country to understand the forces that have been shaping the country's labor over the last 5 years. We sat down with Mr. Rajai El Khadem, Head of Public Sector and Academia at LinkedIn MENA to understand the analysis further. He explained, “the economy is resilient and is increasingly rewarding the talents and skillsets geared towards knowledge and innovation.” What the report further identifies is the increasing role of a digital workforce, with Digital Content Management roles, in particular, increasing significantly.



Looking at trends, hiring rates were 36% higher in December 2021 in comparison to December 2019 (prior to covid-19 lockdowns which ensued in March 2020). 2021 trends showed that each month's hiring activity was higher than its corresponding month in 2019, with August 2021 recording a 46% higher hiring rate in comparison to August 2019. The rebound has been encouraging, especially considering that the December 2021 hiring in the UAE was higher than that experienced in other developed countries.



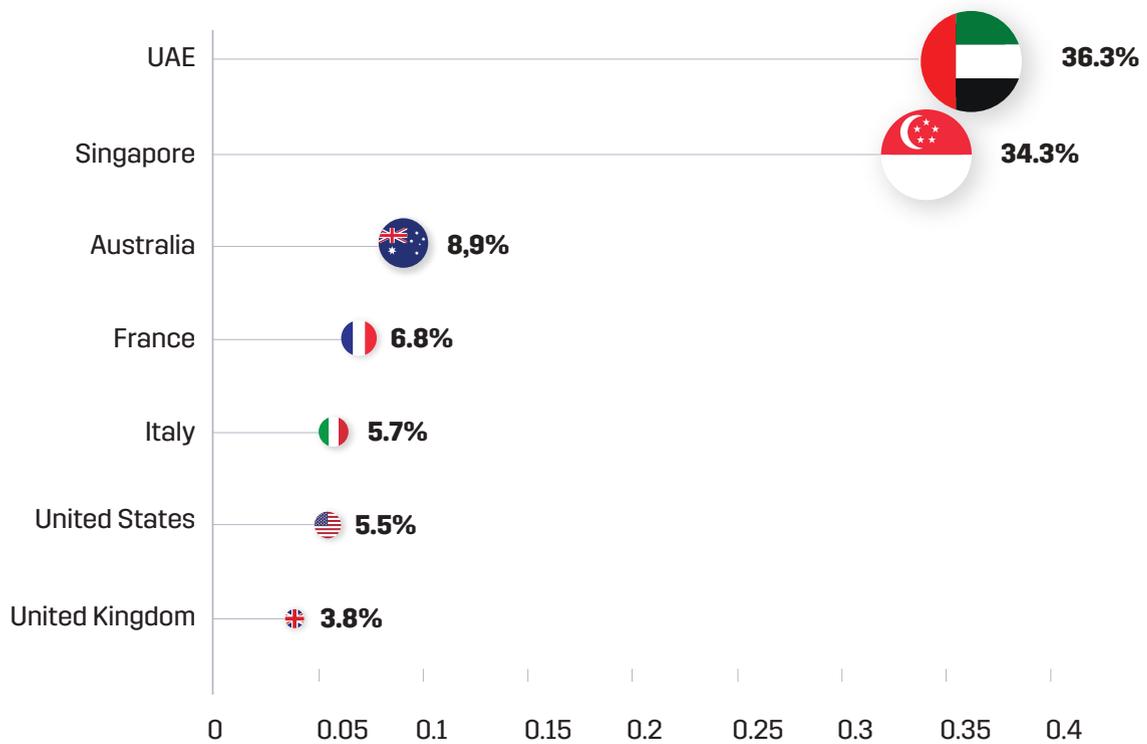
**2021 HAS SHOWN INCREASED HIRING CONSISTENTLY EACH MONTH**  
MONTHLY HIRING RATES IN THE UAE RELATIVE TO THE SAME MONTH IN 2019



The Great Reshuffle The UAE's Economic Graph: How the UAE is embracing the new world of work  
Source: LinkedIn data.  
Note: Analysis from January 2019 to December 2021. Includes UAE members

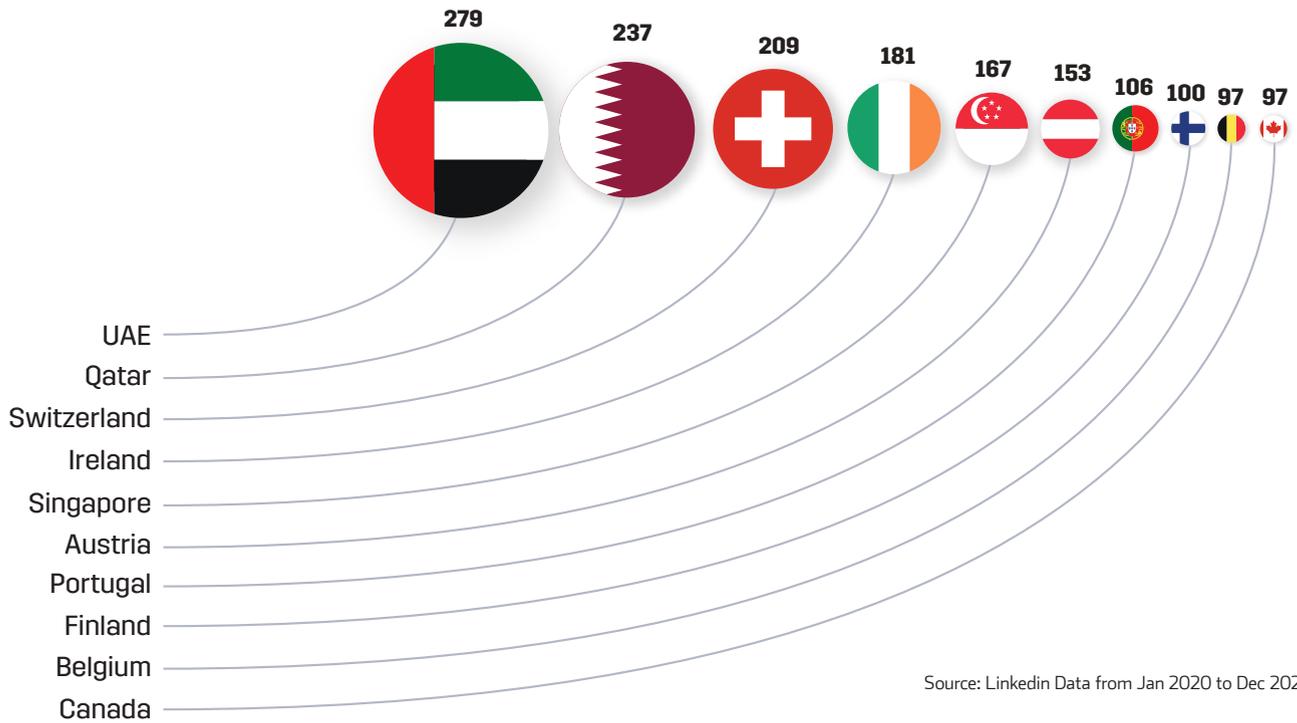


**UAE HAD THE HIGHEST INCREASE IN HIRING IN DECEMBER 2021**  
MONTHLY HIRING RATES BY COUNTRY IN DECEMBER 2021 RELATIVE TO DECEMBER 2019



Source: LinkedIn data.  
Note: Analysis from January 2019 to December 2021. Includes global members

**UAE HAS ATTRACTED MORE TALENT THAN OTHER COUNTRIES**  
 INFLOW OF TALENT PER 10K MEMBERS (JANUARY 2020 ONWARDS)



Source: LinkedIn Data from Jan 2020 to Dec 2021

The UAE has also shown the ability to attract talent from across the globe: the data shows that, relative to its population, the inflow of talent to the UAE is the highest in the world. This has coincided with women making up a greater share of the UAE workforce, climbing from 23% in 2011 to 29% a decade later – one of the top five most-improved countries in the world, according to World Economic Forum’s Global Gender Gap Report 2021.

The pandemic has resulted in the rise of people working from home (WFH). At first, this was a mandated requirement in much of the world; as people got used to this set-up, it has changed public perception as well as desires around the requirement to work from an office. 40% of employees surveyed are looking for a flexible work schedule and the ability to work from home on a part-time basis. A significant 20% of those surveyed are looking for new jobs that offer a remote working option and almost 15% quit as a result of being asked to return to the office full time. In the UAE, the share of remote jobs has tripled from April 2020 to December 2021

**In the UAE,  
 the share of  
 remote jobs has  
 tripled from  
 April 2020 to  
 December 2021**

### COMPANIES IN THE UAE ARE INCREASING THE SHARE OF REMOTE JOBS % SHARE OF REMOTE JOBS OUT OF ALL JOBS



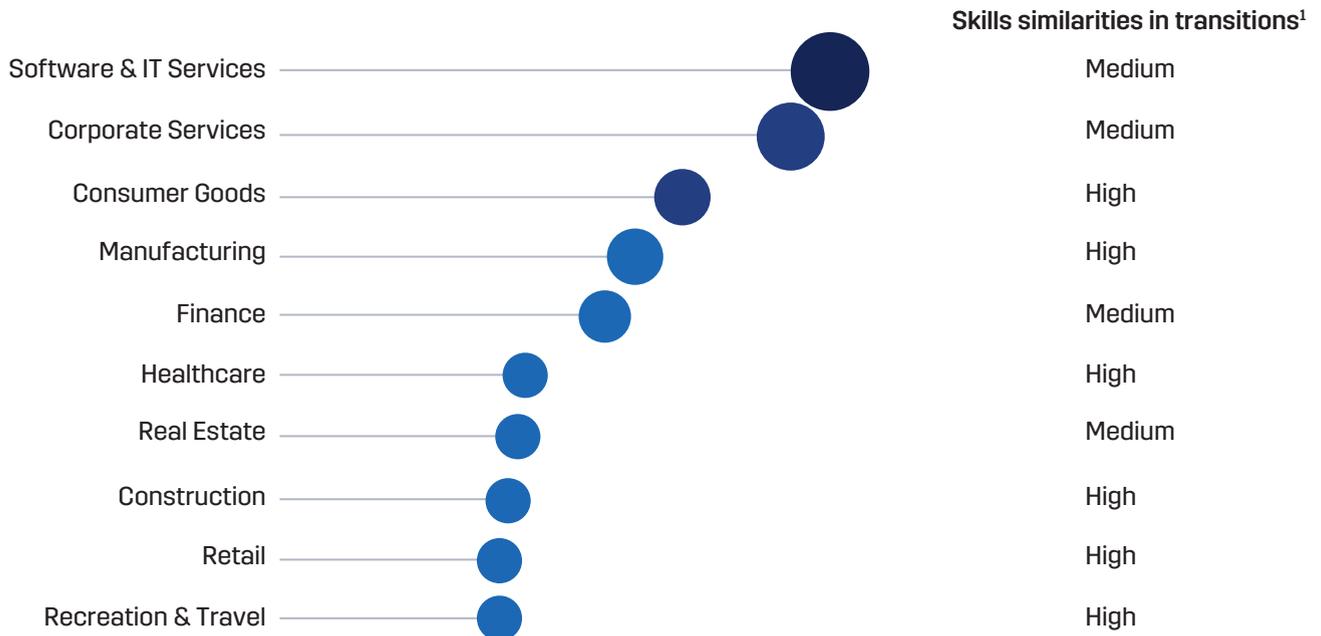
Source: LinkedIn Data

Note: A remote job is defined as one where either the job poster explicitly labeled it as “remote” or the job contained the keywords like “remote work”, “work from home” in the listing.



Healthcare, Software & IT industries have thrived during covid-19 and saw sustained hiring after the immediate onset of the pandemic. It seems the software & IT services sectors also acted as a talent absorbent for professionals with transferable skills, who shifted from struggling industries to sectors which were booming. "Digital content management" and "Self-employment" were two job domains that witnessed a three-fold growth in the number of roles in 2021, which indicates the market's continued desire for and ability to absorb talent.

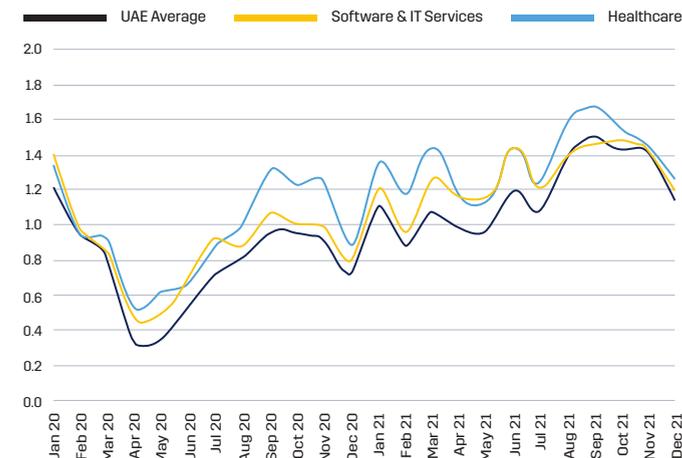
**TALENT ABSORPTION WAS HIGHEST IN SOFTWARE & IT SERVICES**  
 % OF TRANSITIONS TO INDUSTRIES, TOP 10 DURING MARCH 2020 TO AUGUST 2021



Source: LinkedIn Data  
 Note: Analysis from March 2020 to August 2021. Includes UAE members

<sup>1</sup>Skills similarity is based on the extent to which certain skills are common across roles in industries. It helps us understand how well one might transition from one industry to another. 'High' represent skills similarity of >70%, 'Medium' represent skills similarity between 40% and 70%, and 'Low' represents skills similarity of <40%

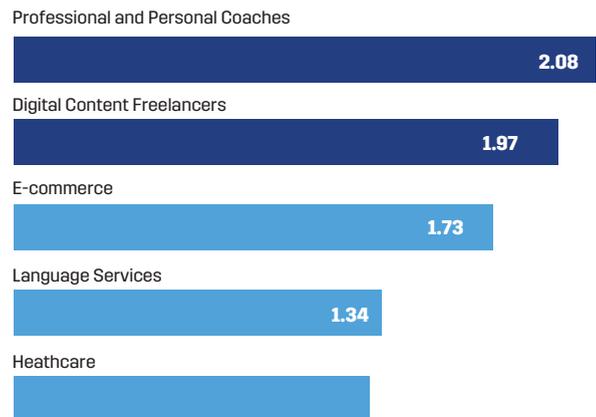
**UAE MONTHLY LINKEDIN HIRING RATE BY INDUSTRY**  
 (INDEXED TO 2019 MONTHLY AVERAGE = 1.00)



Source: LinkedIn Data  
 Note: Analysis from January 2019 to December 2021. Includes UAE members

**SELF EMPLOYMENT AND DIGITAL CONTENT MANAGEMENT ROLES HAVE TRIPLED IN SIZE**

EMERGING ROLES (2019 TO 2020 YOY GROWTH IN % SHARES OF HIRES)



Source: LinkedIn Data  
 Note: Analysis compares March 2019 to October 2019 vs March 2020 to October 2020, setting March 2020 as the pandemic start date globally. Includes UAE members

## % SHARE OF SKILLS ADDED BY SKILL GROUP CATEGORY BY YEAR (UAE)

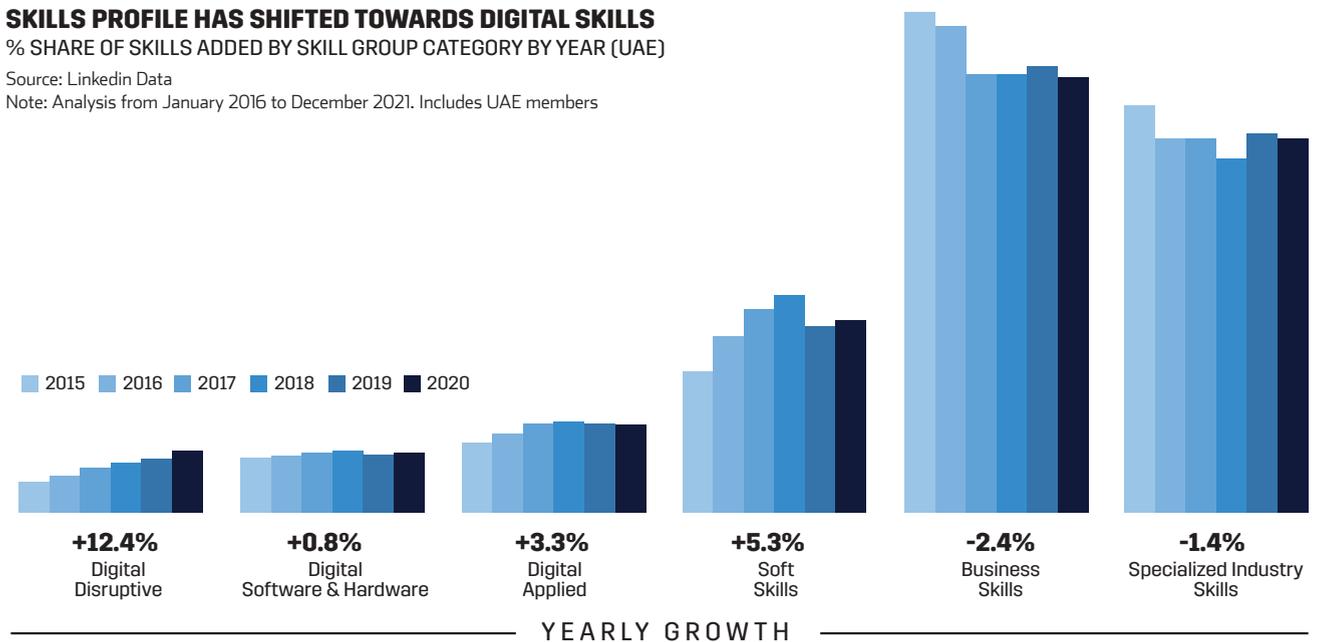
The UAE is the regional leader in all Digital Skills categories of Disruptive Digital Skills, Digital Software & Hardware Skills, and Applied Digital Skills. Globally the UAE ranks in the upper quartile in Artificial Intelligence, Mobile Application Development and Computer Networking Skills. Consider the inflow to outflow ratios, digital disruptive skills are the highest, led by genetic engineering (1.63), development tools (1.32) and AI (1.29).

### SKILLS PROFILE HAS SHIFTED TOWARDS DIGITAL SKILLS

% SHARE OF SKILLS ADDED BY SKILL GROUP CATEGORY BY YEAR (UAE)

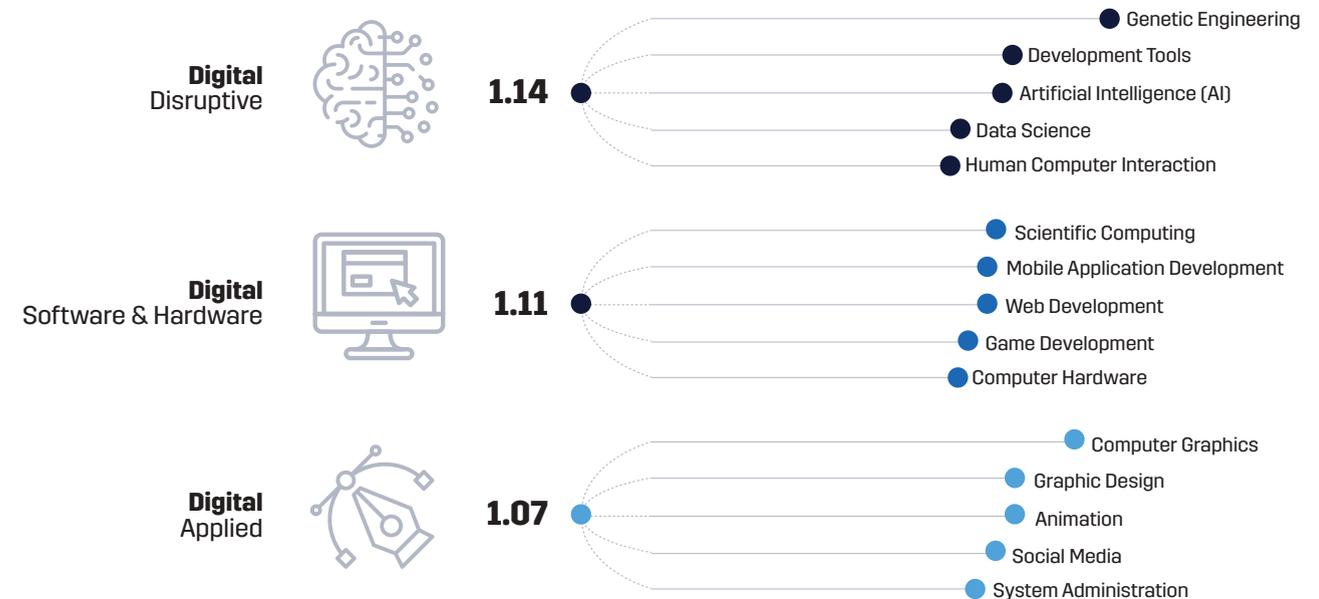
Source: LinkedIn Data

Note: Analysis from January 2016 to December 2021. Includes UAE members



### DIGITAL SKILLS HAVE CONSISTENTLY ATTRACTED AND HAVE NET INFLOW OF TALENT

IN VS OUT RATIO BY SKILL GROUPS OF TALENT (JAN'20 ONWARDS)



Source: LinkedIn Data

Note: Analysis from January 2020 to December 2021. Includes UAE members

\*In vs Out Ratio: (Inflows into UAE) / (Outflow out of UAE). For example, 1.14 means for every member with Disruptive digital skills leaving the UAE, 1.14 members with disruptive digital skills migrate into UAE

Considering gender in the workforce, the UAE landscape is dominated by males, largely due to more men migrating to the UAE than women in search of work. Some economists we spoke to also referred to the fact that there are many male dominated industries that are large-scale employers in the country, including oil & gas, construction and real estate development, engineering and tech as well. However, female workforce participation is growing; in the last decade, female representation has increased from 23% (2011) to 28.5% (2021). It is notable though, that within the group of workforce members that have “disruptive digital skills” – which

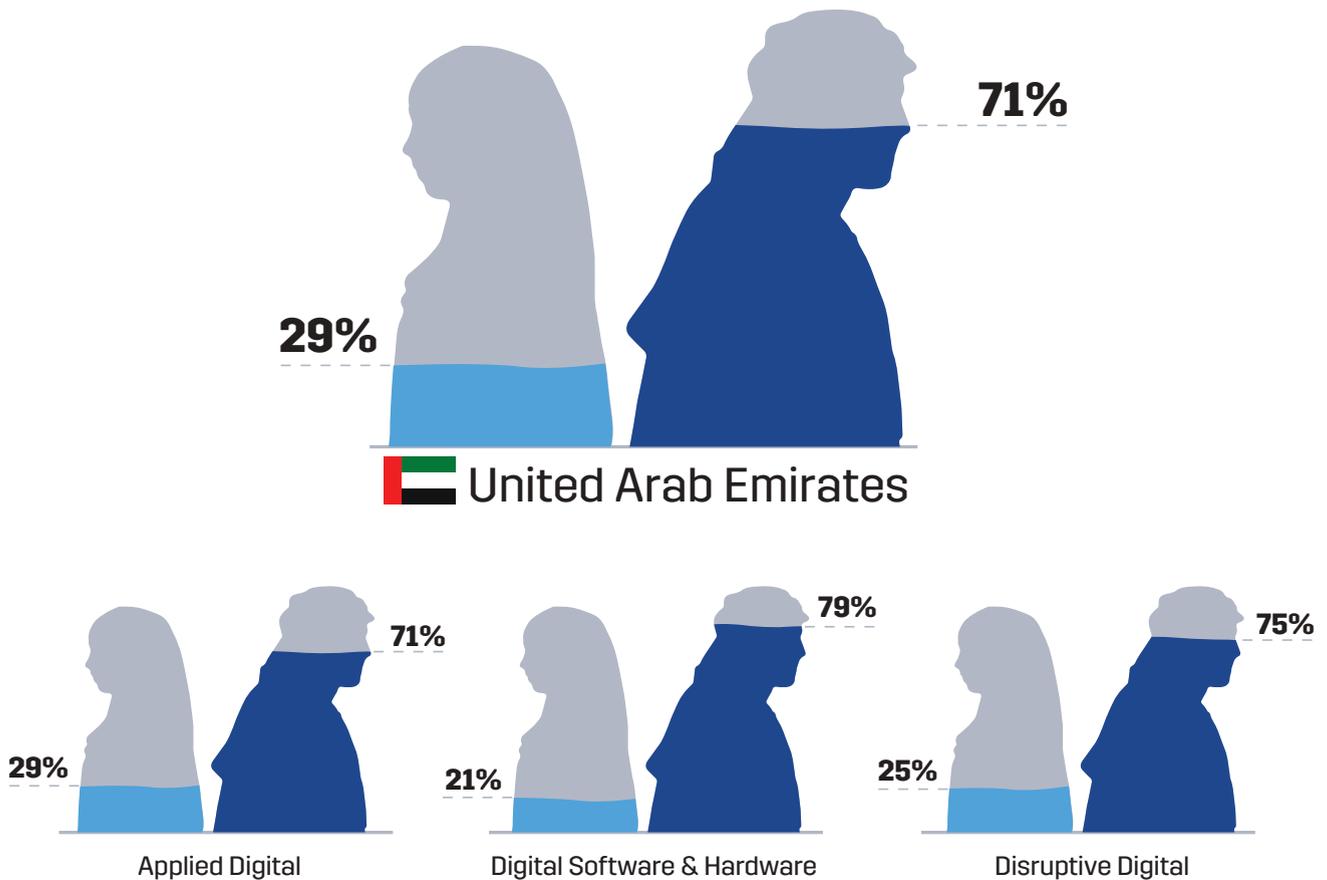
is the highest growing skill set category in the region – women representation is below the UAE’s average workforce gender distribution. This points to the fact that in the future, the UAE’s tech industry will likely remain a male-dominated workforce unless more conscious action is taken by both the public and private sectors to support the participation of women in the tech industry and the wider digital economy as a whole.

Among countries globally, the UAE has witnessed a significant increase in hiring in 2021, as compared to 2019 levels. Among the developed world, hiring rates increased the highest

in December 2021, signifying that opportunities are present in the market and more so for those with digital skill sets.

Digital content freelancers have tripled in numbers from 2019 levels, and this is further supported by the UAE ranking in the top 5 for digital skills as per the 2022 INSEAD Global Talent Competitiveness Index. The UAE has been a pioneer in 5G, which is expected to accelerate the implementation of Internet of Things solutions. These progressive moves by the UAE will likely contribute to the UAE continuing to be ranked #1 in the world for attracting talent.

**DIGITAL SKILLS AND UAE WORKFORCE GENDER DISTRIBUTION**



Source: LinkedIn data.  
 Note: Analysis is snapshot of December 2021. Includes UAE members



## SPOTLIGHT | GREENHOUSE STARTUP STUDIO

the GREENHOUSE

## CHALHOUB GROUP'S VENTURE STUDIO: NURTURING THE NEXT GENERATION OF ENTREPRENEURS IN-HOUSE



Chalhoub Group has been a leading investor in MENA's large cap retail, distribution, and marketing since 1955. The Chalhoub name is largely synonymous to many of the luxury fashion brands it carries and manages in the region, such as Louis Vuitton, Sephora, Louboutin and Dior Couture, to name but a few. The retail conglomerate has also launched its own successful retail concepts, such as Level Shoes, a multi-brand luxury retail experience launched in 2012. The latter is a clear example of the Group's move towards bolder entrepreneurial ventures, coming up with both new concepts, products, and retail experiences.

More recently, Chalhoub Group has shown major interest in directly playing a role in developing Dubai's entrepreneurial startup scene. The Group launched The Chalhoub Greenhouse Startup Studio in 2018. A Startup Studio, or Startup Factory – is exactly how it sounds:

it's a studio-like company that builds several entrepreneurial ventures in parallel. It's a new form of startup development, that gathers the best part of incubators and accelerators, but the investor becomes the "other founder" that sees the startup journey from start to end. As the Venture Director, Benoît Jonniaux, puts it: "Startup Studios or Venture Builders are unique companies that co-create and launch high-traction ventures by creating repeatable pathways while reducing risk to create strong outcomes. There are various business models a Startup Studio can take, but they all share a search for efficiency and frameworks for replicability." The first Startup Studio was IdeaLab, built in 1996 – so not an entirely new concept; but it seems that studios have only recently gained in popularity; according to Benoît, 90% of the startup studios around the world were created within the last 4 years.

Chalhoub Greenhouse was launched as part of the Group's North Star

Vision of transforming itself from a traditional distributor and retailer for luxury in the Middle East, to a hybrid retailer bringing luxury experiences to the fingertips of customers everywhere. The Greenhouse is led by a small team: Venture Director, Benoît Jonniaux; Finance & Operations Director, Joanne Marie Bassoul; and Product & Marketing Director Rafi Dikranian. Their mission is to build an ecosystem that turns ideas into unique ventures, fostering the next generation of successful founders in the MENA region. Benoît is a French serial entrepreneur and investor who co-founded 4 startups of his own before moving to venture capital where he focused on backing ambitious entrepreneurs. After seeing the success of Startup Studios in Europe, he came to Dubai just a year and a half ago to launch The Greenhouse Startup Studio alongside Joanne and Rafi. Benoît says, "Startup Studios have proven that they make lots of sense globally, but they are even more strategic in



newer ecosystems because they build capabilities in-house that the maturity of the ecosystem can't provide yet."

With a mission to build the next generation of successful founders in the MENA region, The Greenhouse Startup Studio has built an ecosystem that turns ideas into unique ventures. As Benoît puts it, Chalhoub Group provides more than the financial investment, but also access to resources and shared services that young entrepreneurs need in the market. In young startup ecosystems – and even in more developed startup markets like

Dubai, it can still be tough for young entrepreneurs who might not have the capital or know-how needed to get visas, office space, health insurance, corporate bank accounts for payroll and hiring, as well understanding how to navigate the multitude of licensing and regulatory requirements around events and similar. Chalhoub can provide all that, plus a wealth of experience in content creation, event management, customer services, warehousing and fulfillment, to name but a few of the tools that the Group is equipping its entrepreneurial war-chest. Meanwhile the studio supports recruitment,

research, and helps entrepreneurs with their day to day business and growth. "It's quite a powerful combination," Benoît says. As Chalhoub Group considers itself a co-founder to all of these startups, Chalhoub retains 33% equity in each of their startups. "This ensures we have skin in the game, and we are invested in supporting and steering our cofounders and startups to success."

In the past 18 months, the Greenhouse has already ventured into digital styling, furniture production, talent recruitment and brand-as-a-service

### THE GREEN HOUSE CAPABILITIES AND SERVICES



**TGH STUDIO**  
INTERNAL SERVICES

 Admin & Finance	 Prototyping
 Legal	 Branding & Design
 HR & Recruitment	 Tech
 Operations & offices	 Product Management
 Research	 Growth



**CHALHOUB GROUP**  
SHARED SERVICES

 Visas & Insurance	 Retail / Distribution
 Payroll	 Customer services
 Layoffs & Mitigation	 Product creation & compliance
 Banking & Treasury	 Import / export
 Customer knowledge	 Warehouse & Fulfillment
 Customer creation	 Delivery

SPOTLIGHT | GREENHOUSE STARTUP STUDIO

THE STARTUP STUDIO MODEL

Attributes	Accelerators/ Incubators	Early-stage Venture	Late-stage Venture	Startup Studio
Entry valuations	\$2-5M	\$10M+	\$100M+	\$0-5M
Fund Ownership	0-6%	av.15%	av.10%	25-50%
Services provided	Mentoring	Capital	Capital + Oversight	Deliverables+Capital
Scale up methodology	Poc	None	VC network	Proven playbook
Success rate	10%	20%	30%	50%
Expected returns	5-10x	2-4x	2-3x	5-10x
IRR	12.5%	25%	20%	>50%

(BaaS), as well as a wellness and beauty 'natural remedy in a subscription box' concept called The House of Wisdom. Greenhouse has also invested in an on-demand tailoring startup, AbayaLab, which offers tailoring and customization of abayas for consumers in the GCC. The startup brings convenience, experience, cultural fit, and better communication with just a few clicks where a consumer could "build your own abaya in under 3 minutes".

We speak to AbayaLab Founder and CEO, Musfira Saleem, who said, "Four years ago after I graduated university, I chose The Chalhoub Group as my place to start my career. I still dreamt of launching my own fashion business one day, but the opportunity came true far sooner than I even imagined when Chalhoub launched The Startup Studio. When employees were encouraged within the Group

to start their own entrepreneurship journeys, it was a no-brainer for me!" Musfira tells us that being a part of The Chalhoub Greenhouse has certainly given her access to numerous "unfair advantages", but it's the camaraderie and having a partner and true co-founder who cares and prioritizes the success of her business that she's most grateful for. She adds, "Being an entrepreneur can be a lonely journey."

Benoît explains, "it took 20-30 years to build a startup culture in the US, and 10-15 years to replicate it in Europe, but with everyone pushing in the same direction, Dubai is halving Europe's timeline." He continues, "considering Europe's current economic woes, Dubai is an attractive place for many global entrepreneurs to come, with its unwavering momentum, competitive talent advantages, and large access to capital, I think the Emirate is the ideal economy for startups today."

He breaks down the comparison from a European's perspective. The tax benefits for funds, entrepreneurs, companies, and employees alone are a major incentive. There is also significant amounts of capital from Funds of Funds in the market for first-time funds, and in general appetite, commitment and energy level that's brewing in Dubai as well as the wider region as a whole. Benoît is unwavering in his viewpoint that Dubai has all the assets necessary for building its startup culture like that of the US and Europe. For many Europeans, it seems, the country itself was born a startup. The UAE being a country that is only 50 years old, it's unfathomable the amount of progress seen in the past 50 years here, compared to what European companies developed over centuries. Perhaps Dubai will carry that same 'can-do' attitude into the development of its startup ecosystem.



# PERSPECTIVES FROM 10 OF DUBAI'S DIGITAL STARTUPS

Dubai has its fair share of digital economy success stories. Here we introduce you to a kaleidoscope of Dubai's more recent startup lineup – covering everything from Insurtech, Cloud Kitchens, Social Media & Content Creation, Grocery-on-Demand, Crypto Exchanges, FinTech for Teens, Restaurant SaaS, Collaborative Commerce, and Food Delivery Aggregators. We speak to both homegrown startups as well as recent Dubai transplants, who've moved their HQ operations to the city, to get their perspective on their Dubai entrepreneurial journey, and ask, "Why Dubai?" Here are their incredible stories and perspectives.



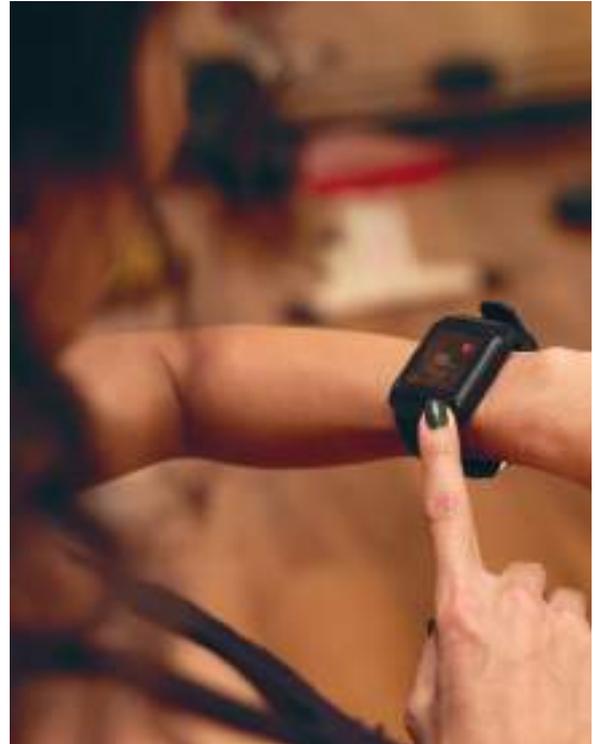
SPOTLIGHT | SEHTEQ



## HOW DUBAI'S FIRST INSURTECH STARTUP REIMAGINED HEALTH INSURANCE TO ACHIEVE \$47 MILLION IN REVENUES IN 3 YEARS



Sehteq's Co-founders Nour AlKamil and Saif AlJaibei have been married for 13 years.



Sehteq comes from the combination of “Seha”, Arabic for health, and “teq” for technology. They follow in the footsteps of many startups in MENA that have opted for catchy names that come from the English transliteration of easy Arabic words related to their business (think Talabat and Zbooni to name a few). The digital health insurance startup was launched in 2017 by husband and wife duo, Saif AlJaibei and Nour AlKamil to provide affordable health insurance plans to individuals, companies, and SMEs in the UAE.

Sehteq's mission is to provide consumers with affordable and easily accessible insurance plans, using a tech-enabled platform that helped to automate much of the process. The idea for Sehteq came to Saif when he was attending an insurance conference in Singapore in the Fall of 2016. Saif was a Regional CEO for an American health insurance

company operating in the Middle East at the time. “I had an a-ha moment when I was presented a slide at the conference that showed that less than 3% of insurance company P&Ls invested in technology, while the banking sector invested 7% of their P&Ls on technology.” After checking and confirming this figure with many of his insurance sector peers, the seed for Sehteq was planted.

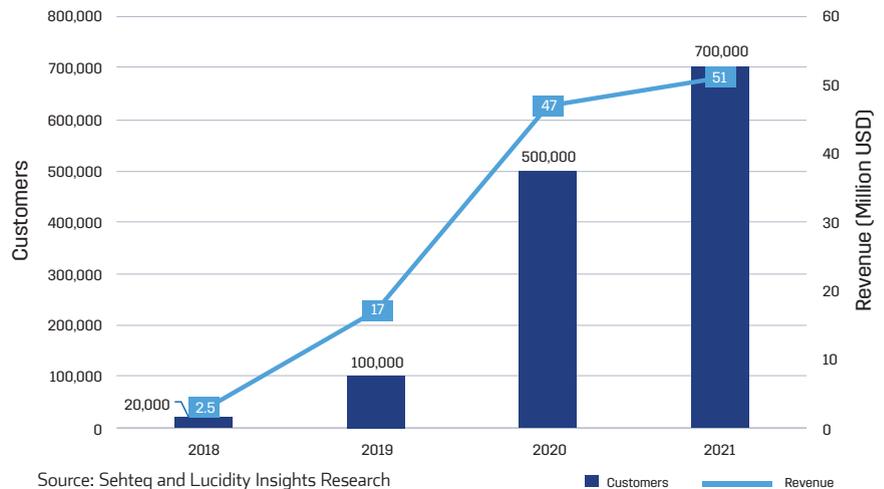
Sehteq uses its AI platform to digitize the distribution of insurance coverage for drastically accelerated and entirely automated sales and post-sale services. Providing this service would not only benefit customers by providing an easy-to-use comparable marketplace to shop for insurance, but it also provided insurance companies a strong digital sales channel without much investment and technological development requirements on their side.



As one of the first insurtech startups in the region, the first hurdle Sehteq faced was one with licensing. The only option available in 2017 was to be licensed as a generic technology company, or to be licensed as an insurance company. Saif explains, “We didn’t want either of these options, because we wanted to be relevant and precise; we wanted to be the intel processor of all insurance companies and bring them the much-needed innovation without increasing their 3% technology budget.” Saif continues, “we had 3 options; we either buy an insurance license which would cost us millions, or get a brokerage license – and become one of more than 300 players, or acquire a TPA license (insurance management) – of which there were 15 in the market.” TPA acquisitions was the route Sehteq took, and within a year of its establishment, Sehteq had acquired its first TPA (third party administrator) for a licensed health insurance provider. By 2020, Sehteq had acquired 7 out of the 15 TPAs available. The company now holds 12 acquisitions as one of the big 3 health insurance providers in the United Arab Emirates and one of the top 10 insurtech companies worldwide. Most importantly, Sehteq have made their technology available to 100+ partners, showing that the company values transparency, trust, and stability with clientele over exclusivity in the brand.

Sehteq officially began operations in February 2018 and closed the year with 20,000 customers and US \$2.5 million in revenues. Customers grew by 5X in 2019, amounting to \$17 million in revenues. Noor explained, “2020 was another year of hypergrowth, we grew customers again by 5X, and \$47 million in revenues poured in. But 2021 was our toughest year. We couldn’t quite

### SEHTEQ’S GROWTH STORY: CUSTOMER ACQUISITION AND REVENUES



Source: Sehteq and Lucidity Insights Research

maintain the same pace of growth as the previous years; but we still closed out the year serving 700,000 customers and US \$51 million in revenues.”

Sehteq had intended to secure \$50 million to finance its series B funding round and expand into new markets in 2021 but was forced by the covid-19 pandemic to change course and sell the business.

Despite the challenges faced during the pandemic, Sehteq managed to raise over US \$23 million in funding for its series A round from 971 Capital and acquired Dawa Express that same year. “We didn’t do a good job with funding and investors management, that’s the ugly truth,” says Noor. “Yet we raised \$23 million in series A and made it to the top 50 most funded startups in 2020, then raised an additional \$3 million and maintained our rank in the top 50

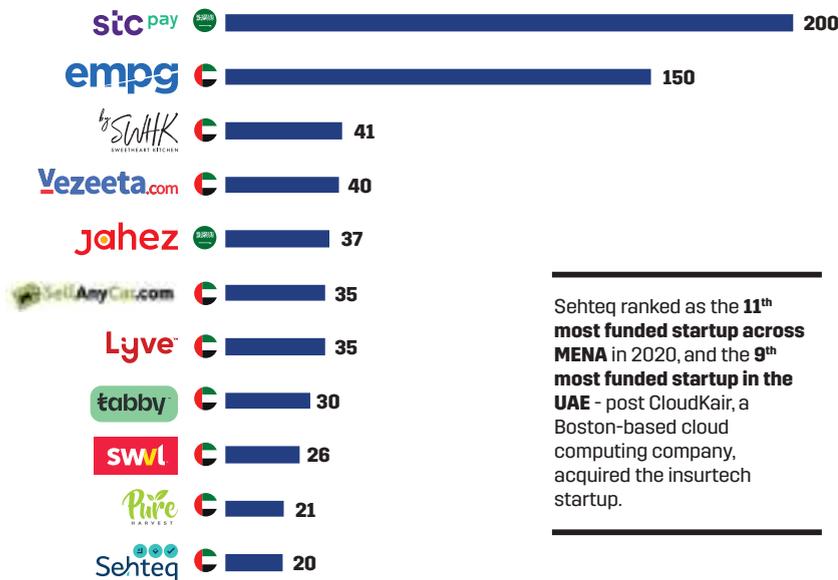
most funded startups by Forbes.” Sehteq also ranked 4th highest in MENA for “first-time fundraising”, falling behind STCpay, Sweetheart Kitchen, and Jahez; the insurtech startup was also the 11th most funded startup in MENA overall in 2020.

Twice now, Sehteq has made it to the list of top 10 health insurance startups in the world, ranking 5th and then 4th largest health insurance provider in the region in 2020 and 2021, respectively. The money was used to accelerate Sehteq’s tech plans, a key success factor as the company soon grew so large that it had startups within its startups and a range of offerings from technology to insurance, to home healthcare and digital health.

As of 2020, the Sehteq team had grown to 180+ staff, business had expanded by 3000%, and profitability had

SPOTLIGHT | SEHTEQ

**MOST FUNDED STARTUPS IN MENA REGION, 2020**  
(IN US\$ MN)



Sehteq ranked as the **11<sup>th</sup> most funded startup across MENA** in 2020, and the **9<sup>th</sup> most funded startup in the UAE** - post CloudKair, a Boston-based cloud computing company, acquired the insurtech startup.

Source: Crunchbase Data, Lucidity Insights Research & Analysis

reached double digits. 971’s investment furthered their plans of expanding into Oman, Iraq, Egypt, and Saudi Arabia among other countries in the region and facilitated the development of their fully automated insurance project, Techcelerate. Sehteq’s marketing had also expanded its services past health insurance into other lines of coverage including car, home, life, and travel insurances to cater to a larger clientele worldwide.

2021 saw Dr. Hazem Al Madi join the Sehteq team as the company’s Managing Director. “It’s unheard of that a startup acquires half of the market, and pushes out other players from the marketplace,” Dr. Hazem says in an interview with Entrepreneur Middle East where he opens up about initial reservations concerning the business. However,

he goes on to say that it was Sehteq’s creative strategy and growth trajectory that inspired him to finally take on the role. By the time Dr. Hazem came onboard, Sehteq had reached 750,000 users moving towards their one-million consumer-target with impressive technical and technological assets.

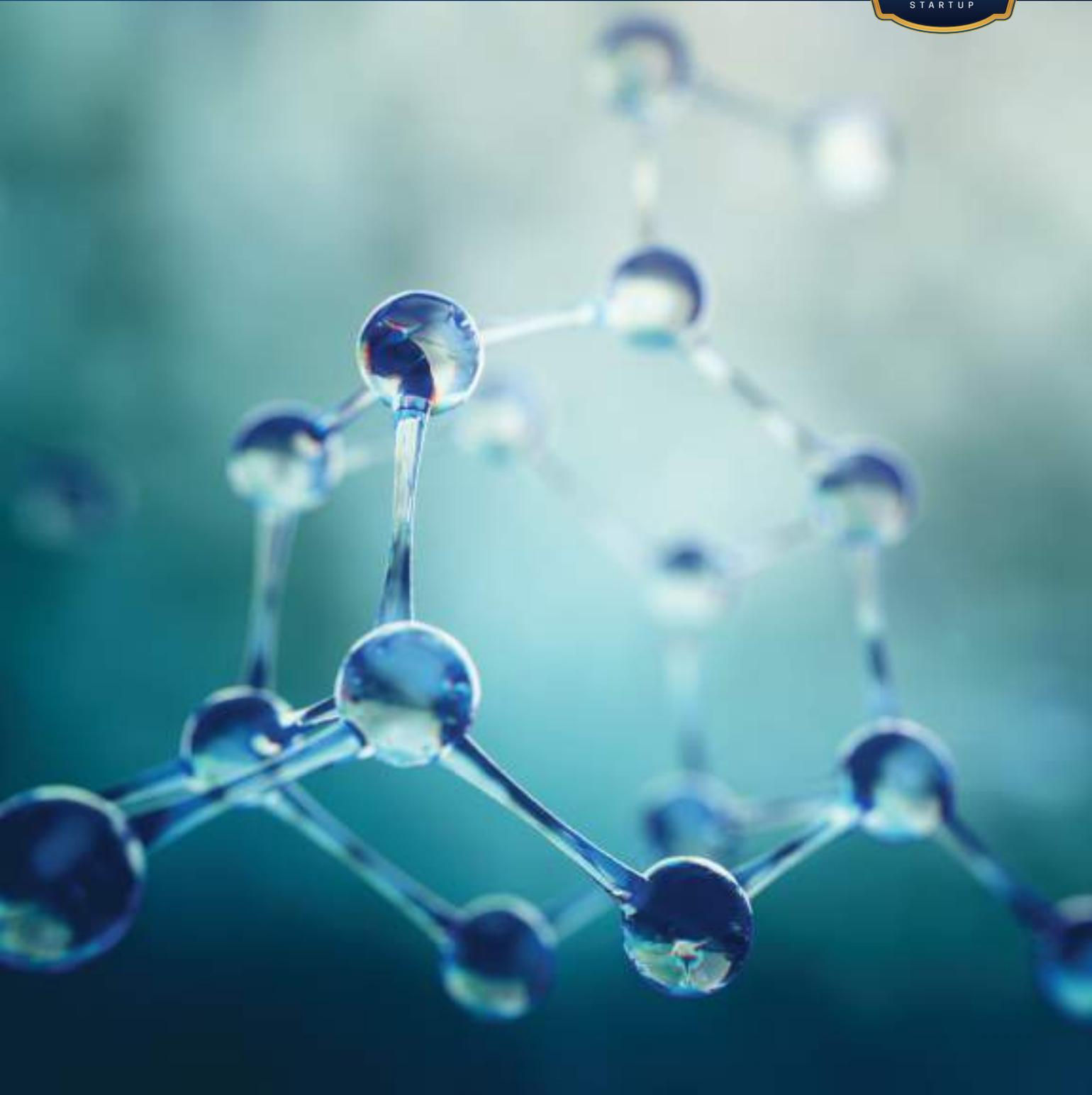
In 2021, Sehteq announced its acquisition by CloudKair, a cloud computing company based in Boston. “We failed to raise a series B, and instead, the company was bought as a group and then sold into pieces,” Noor explains. The separation of technology assets from operations was the right move as it increased the total assets valuation to US \$70 million, and CloudKair bought the health insurance arm out of the group with the name Sehteq. Saif anticipates

that CloudKair’s smart-tech and expertise will allow Sehteq to become the first PaaS (Platform as a Service) player in the region. CloudKair VP, Ahmad Izzy, is now focused on making Sehteq’s advanced tech services more commercially viable to small- and mid-sized health insurers and TPAs in the MENA region who may not have had the opportunity before.

The team at CloudKair is re-engineering their technology with the support of Amazon Web Services (AWS). The solution has been used by 17 out of the 35 insurance companies in the UAE and Oman, and promises to be quicker, lighter, and more affordable.

As we ask Saif and Noor to reflect back on what role, if any, Dubai played in Sehteq’s success, they said, “the shift of our business to Dubai (from Ras Al Kaimah) was a key milestone for us. Joining the Dubai Future Accelerator opened a new horizon for our startup, and it quite simply was a game changer for us.” The team received further validation of its shift to Dubai which was additionally bolstered by the recognition that Sehteq had received from the Dubai Health Authority (DHA) for being the health innovator of the year in 2018. “Dubai is truly a startup hub.” Saif continues, “there is unlimited support to entrepreneurs from mentorship, networking, investment, incubation and a fantastic pool of resources available in the city.”

Saif Aljaibeji exited in October 2021 and joined the leadership team of one of the largest health insurance companies in the region, while Noor, continued to lead the integration until last November. She is on a new mission to bring health to the patients’ homes in the UAE leveraging technology.



## SPOTLIGHT | ZBOONI



## HOW DUBAI'S HOMETGROWN STARTUP HAS INTRODUCED CCOMMERCE TO THE REGION



From left to right: Ashraf Atia COO, and Ramy Assaf CEO

Founded in 2016, Zbooni was initially designed as a platform to assist online sellers with payment management. It was a business idea spawned when Zbooni Founder and CEO, Ramy Assaf, was trying to support his wife in her online business selling customized hats via Instagram. Though she had the platform for advertising and marketing in an economy dominated by social media as ours is nowadays, the struggle of online payments was still an issue. “She didn’t have any way of capturing payments from customers like you would have with an e-commerce store, or keeping track of customer activity through a CRM,” Ramy explains. “We saw an opportunity to develop new tools for commerce within social and messaging apps, to reduce the frictions

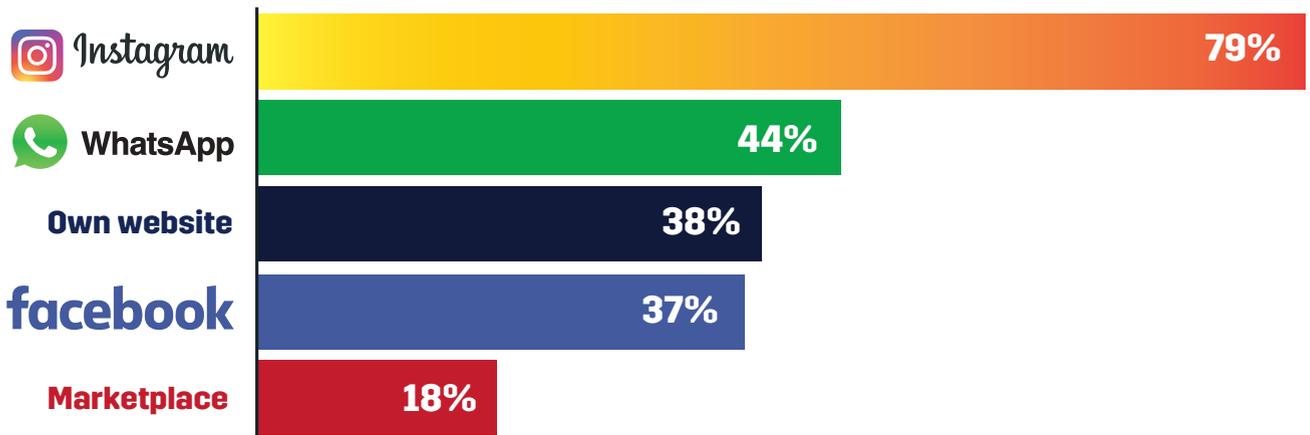
that businesses face in capturing orders, accepting payments, growing sales, and tracking their orders.” That’s when Zbooni was born as a software bridge between sellers, customers, and banks to make sales and process digital payments all at once.

Ramy gives credit where it’s due to e-commerce sites such as Shopify that have provided inspiration for their business, but by no means is Zbooni a “cut-and-paste” project. “There are certain things we learn through the lens of Shopify, how they build certain components and tackle their target markets, but Zbooni is built differently and not designed just for e-commerce websites.” Zbooni acts as a single software interface which facilitates

real-time customer interactions to finalize sales through social and messaging channels like WhatsApp, where businesses and customers are spending increasingly more time. Business owners simply download the app, create an account, list the products for sale, and share a provided link with consumers via messaging services like WhatsApp, Facebook Messenger, and Instagram direct messages. Zbooni’s most attractive feature then comes as customers carry out the entire shopping trip per se without the need to download Zbooni or any external apps. The key is that even check-out takes place through whatever messaging chat that customers access the link from with payment via Visa, Mastercard, Apple Pay, and (Saudi) Mada cards.



**2021 ZBOONI SME SURVEY: POPULARITY FOR ONLINE SHOPPING MERCHANTS TO GROW SALES**



Source: Zbooni

Like other online sales platforms such as US-based Mercari, Zbooni has developed an internal screening process for merchant authorization and product authentication. Merchants must meet certain criteria for clearance to sell on Zbooni's platform and maintain their presence on the system. The aim is to provide consumers with the credibility rate of a seller along with his products to allow educated, guaranteed purchases. Moreover, both merchants and customers are protected by anti-money laundering and anti-fraud machine learning and artificial intelligence tools.

However, unlike other online sales apps, the Zbooni app only needs to be downloaded by sellers, not their customers. The name of the game in

any sector is efficiency – minimum input, maximum output - and the less customers need to do, the more they will buy. Zbooni has successfully introduced a new short-cut to online shopping that not many platforms have explored, setting it apart from most other online marketplaces.

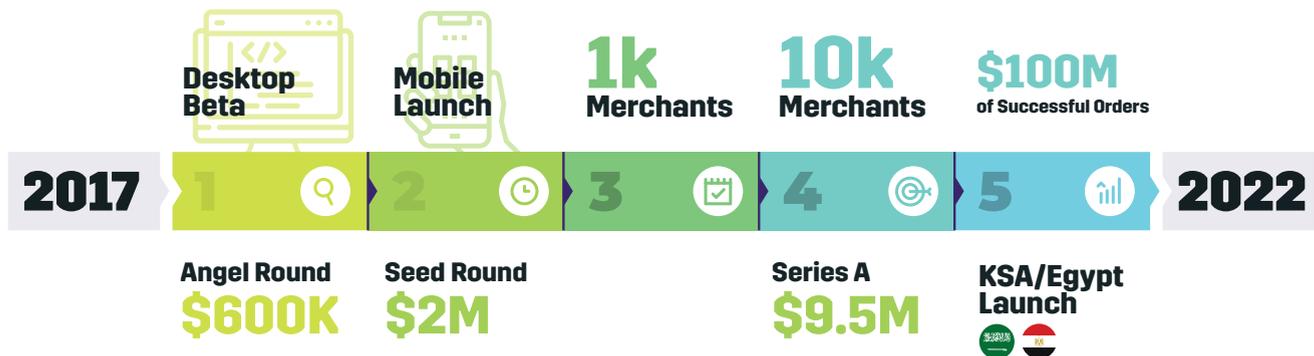
Zbooni's 2021 SME survey defends their vision of social media-based shopping with reports that nearly 80% and 45% of online shoppers both browse and complete transactions via Instagram and WhatsApp respectively rather than stores' own websites. Moreover, the ubiquity of WhatsApp for example as a B2C channel is remarkably different in MENA than in North America. "Mobile penetration is very high in MENA, which means we build

mobile first (and only) for many use cases," says Ramy. "Our cart software allows for 'amending the price' during sales, for example." Negotiation is fairly typical for Middle Eastern shoppers and what some might even call tradition, but it's not common when it comes to Western definitions of commerce. Zbooni's fine-tuned itself so that MENA's unique attributes in social media and shopping are now key driving factors for its success in the region.

One of the main factors contributing to Zbooni's success in their early days, Ramy says, was the six-month incubation period at Facebook, now Meta. Zbooni was one of just eight startups from around the world to be incubated in the program where they developed their product and refined

SPOTLIGHT | ZBOONI

MILESTONE TIMELINE



Source: Zbooni

it alongside some of the brightest tech minds in California. Meta sought insights about a range of global markets and use cases through the lens of startups, who in return got more insight into how Meta foresaw their roles in the commerce roadmap.

Ramy also commends co-founder, COO Ashraf Atia, on his unwavering commitment to Zbooni and its customers. Despite dedicating a whole team to client sales and enquiries, Ashraf himself still connects with merchants daily to better understand their needs and improve the Zbooni experience. Since its establishment, Zbooni has grown into a business solutions platform complete with digital storefronts, data insights, and mobile invoicing.

Zbooni has also expanded by catering to both traditional businesses as well as ‘casual’ merchants like social media influencers, and is, in principle,

the first business in the region to transcend e-commerce into the sector of cCommerce (connected commerce) to assist in customer engagement and sales communications. This significance comes with the company’s claims that the cCommerce cart is, on average, 2.7 times larger than that of traditional e-commerce with a conversion rate 20 times greater than e-commerce.

Though Zbooni was barely established a mere two years before covid-19 hit, the pandemic only helped the uptake of Zbooni’s services. Digital sales channels and e-commerce itself was in effect the only means for small merchants to maintain operations during lockdowns.

Much of the Middle East was still behind many western markets in terms of conducting digital payments, preferring to utilize physical cash – but this changed during the pandemic. Social distancing and lockdowns only accelerated the region’s take-up

of contactless payments and digital payments for orders.

According to Ramy, Zbooni thrived in this pandemic-driven transition with increased merchant demand, customer growth, and service expansion as well as internal software upgrades and product refinement. “Instead of Zbooni’s growth dropping off once Covid was “over”, we saw real stickiness and a continued momentum of that digital shift. In fact, we’re currently experiencing the steepest growth trajectory we have ever seen in our business,” he explains.

Zbooni was serving around 20 merchants in 2017, and from 2017 to 2021, grew almost 200x in terms of payment volume going through the platform. Today, they serve more than 10,000 merchants across four core markets having recorded a customer growth of 600 percent reaching over 150,000 clients in 2020.



To date, Zbooni has raised a total of over US\$ 12 million, which has allowed Zbooni to hire new team members, expand beyond the UAE, Saudi Arabia, Lebanon, and Jordan into Egypt, and further develop their product with many consumer-centric updates. Zbooni raised US\$ 2 million in 2019 through regional institutions including UAE retailer Chalhoub Group and private equity fund B&Y Venture Partners. In 2021, Zbooni closed a Series A round of US\$ 9.5 million from international and regional funds. Zbooni's latest expansion plans come with its official launch in Egypt, the third largest economy in the Arab world. With the support of its regional and global investors, Zbooni will cater to some 3.5 million small to medium size enterprises (SMEs) throughout Egypt to boost the economy at the core of its digital commerce. "Helping SMEs is in Zbooni's DNA, and our estimates suggest that there are in excess of 10 million businesses who could benefit from cCommerce (connected commerce through social messaging apps)," says Ramy. Egyptian-American COO Ashraf is even more excited for this expansion to help support and inspire Egyptian businesses and entrepreneurs. He expects that the partnership with JumiaPay and National Bank of Egypt in 2022 will entice thousands of local Egyptian businesses to sell with Zbooni boosting his home country's economy. More than physical expansion within the region, the Zbooni team has also acknowledged the importance of broadening the range of products and services on offer to clients. Ramy reports a growth in the health and well-being related market including dietary products, nutritional guides, self-care workshops, and therapeutic readings. This is only one of the directions

they plan on expanding into, to allow merchants of all trades the opportunity to excel and build a fruitful clientele. As a Dubai-based start-up taking on the region by storm, Zbooni showcases the Emirate's own success story through the years. When asked why Dubai specifically, he told us "Where else in the world can you have a microcosm of many of the world's populations contained into one city?" Ramy explains that it made sense to start in a city with a diverse and digitally savvy customer base for product development and testing. Dubai is also home to some of the biggest investors and brightest tech minds in the world; a population that is also growing all the time. This not only provides access to some of the best talent in the region, but also puts you in close competition with the rest. "That demands world-class products, and this forces you to be competitive and not cut corners if you want to thrive," explains Ramy. "Events like Dubai Expo 2020 help shine a light on the city, creating an excitement amongst people about the extraordinary things to come in this land of opportunity."

Ramy also told us about a few of Zbooni's partnerships with the UAE government. They recently partnered with the Ministry of Community Development to help local Emirati businesses set-up and thrive digitally. Zbooni has also worked to support the Ajman Chamber of Commerce help its members go online.

In the next six months, the startup says we can expect more Zbooni partnerships within the UAE as well as growth in their newly established markets, namely Egypt, Saudi Arabia, and Jordan. Their plans are also

jam-packed with game-changing enhancement features that will give businesses a further edge in acquiring customers, as well as new software product launches designed for a more international audience. The latest product is completely unique, and addresses needs of e-commerce merchants globally. "We are particularly excited about what's to come in 2023," says Ramy. "The common thread across all our efforts is simple, we help merchants sell more."



## DUBAI'S LATEST FOODTECH UNICORN



Image courtesy: Kitopi

As Dubai's resident 'Kitchen Utopia,' Kitopi is turning heads in the MENA F&B industry with its double entendre name standing for 'Kitchen,' 'Operation,' and 'Innovation'. And rightfully so; it's attracted major investment from global venture capitalists like SoftBank Vision Fund, Lumia Capital, Rise Capital, Endeavor Catalyst, Venture Souq and Global Ventures.

Kitopi was founded in 2018 by business strategist and social entrepreneur, Mohamad Ballout, along with several of his close friends Andres Arenas, Bader Ataya, and Saman Darkan. The idea for Kitopi first came to Mohamad

a few years back when he was between projects. Mohamad had just exited BMB, one of the largest confectionary businesses in the Middle East, which he also co-founded. Mohamad was interested becoming an investor working closely with entrepreneurs in several ventures, mostly related to the F&B industry. "Speaking to (restaurant owners), I realized that the majority of them had a similar issue – scaling. Increasing their delivery reach meant opening up new outlets, and traditional brick-and-mortar outlets were so expensive. I started to ask myself if perhaps there was a solution through which they could achieve growth more efficiently?"

Co-founder and CTO, Saman Darkan, had experience in digital transformation and a few startups of his own; after talking through several different options with Mohamad they finally landed on the idea of cloud kitchens. At the time, cloud kitchens existed primarily in a real estate model, rented out as shared kitchen spaces. "But we were interested in solving the end-to-end process for restaurants, through what we called a 'managed cloud kitchen platform,'" says Mohamad.

After connecting with and bringing aboard Chief Growth Officer, Bader Ataya, as well as then Chief Product Officer, Andres Arenas, Kitopi launched



Lead investor(s)	Fiscal year	Investors' location	Funding	Value
Crescent Enterprises	2018	UAE	Seed round	\$1.8M
Beco Capital	2018	UAE	Series A	\$27.2M
Knollwood Investment Advisory, Lumia Capital	2019	USA	Series B	\$60M
SoftBank Vision Fund 2	2021	UK	Series C	\$415M
SoftBank Vision Fund 2	2022	UK	Series C	\$300M

Table 1 summarizes Kitopi investments until FY 2022.

Source(s): Crunchbase.com

with a mission to “Satisfy the world’s appetite”. Kitopi’s main purpose was to partner with restaurants and F&B brands to help them expand their delivery reach and scale across borders, taking care of the entire end-to-end operations from sourcing ingredients to delivering food.

Launching in Dubai was an easy, strategic decision to make considering its growing startup ecosystem and culture. “Securing the right talent was important to us and, as we all know, Dubai is home to a multinational, diverse, and young workforce. Our geographical location also made hiring or relocating the best talent from abroad easier and more attractive.”

Dubai has also made meaningful strides in becoming an easy-to-operate in, entrepreneurial hub. Dubai has streamlined government services, moving the vast majority online, enhancing incentives for local businesses in the last few years. The country has also introduced a diverse line of work and residency visas that has helped to alleviate barriers for many businesses that are just starting off.

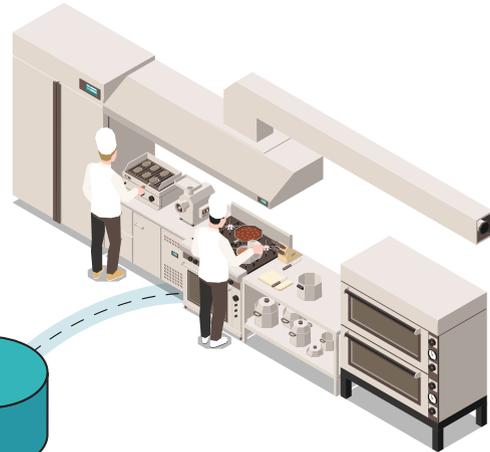
Kitopi was launched in January 2018 as a “managed cloud kitchen platform” - partnering with restaurants and F&B brands, to help them expand their delivery reach and scale across

borders, taking care of the entire end-to-end operations from sourcing the ingredients, to delivering the food. “There was no blueprint that previously existed; our plan was to focus on hiring and training the best people and building our own cloud kitchen proprietary in-house tech - which we call SKOS (Smart Kitchen Operating System).” This technology predicts customer behaviour so that the Kitopi team can focus on providing exceptional customer experience and prioritize quality.

The start-up raised roughly US\$ 89 million through seed and series A/B round funding in 2018 and 2019,

SPOTLIGHT | KITOPI

# KITOPI GROWTH STORY AND MILESTONES



## 2022

- Launched in Bahrain & Qatar
- Launched Robotics Hub in Denmark
- Announced additional \$300M top-up funding for our Series C
- Reached 5000+ Kitopians, working across 200 kitchens, restaurants and foodhalls across 5 markets

## 2020

- Powered its kitchens with our in-house technology, SKOS.
- Launched its Gen3 Kitchens
- Reached 1200 Kitopians, working across 60+ Kitchens, serving over 200 brands

## 2018

- Established in Dubai
- Served 30 brands across 6 kitchens

## 2021

- Raised \$415M in Series C
- Launched Kitopi's first food hall-centered offering
- Reached 3500+ Kitopians, working across 80+ kitchens
- Became a Unicorn!
- Announced investments in brands

## 2019

- Launched in Kuwait and KSA
- Reached 1,000 Kitopians, delivering 1M orders, serving 120 brands

Source: Kitopi



followed by USD \$415 million in its series C funding, marking SoftBank Vision's first investment in a Middle Eastern company. Thanks to SoftBank's exceptional venture, Kitopi had reached unicorn status within 3 years of its launch as the 3rd and fastest growing unicorn of the Middle East. The cloud kitchen raised an additional USD \$300 million in April 2022 and has now expanded into 200+ locations across UAE, KSA, Kuwait, Bahrain, and Qatar with plans to globalize into the UK and USA in the near future.

Like most businesses in 2020, Kitopi, too, saw a minor blip in sales during the pandemic because people were hesitant to order food via delivery, due to fear of spread of covid-19. To adapt to the pandemic and help communities who had to wait days for groceries due to the demand, Kitopi temporarily launched Shop Kitopi, an online grocery store that taps into its existing supply chain to deliver food items all over Dubai, in under 60 minutes.

Kitopi did not sit idly after its expansion into e-commerce, however. "In the last 2 years, due to the pandemic, we reviewed our growth strategy," says Bader, Kitopi's Chief Growth Officer. The data told them a few things: "One, customers wanted to dine out, and have in-person experiences. Two, there were some really good local hero brands that wanted to exit the F&B market, due to the challenges faced during the pandemic. Bader continues, "Given our niche offering, we decided to invest in these brands across our 5 markets and as such, also acquired dine-in locations." That's how Kitopi introduced brick-and-mortar restaurants as well as food halls to its platform and is now known as a tech-powered, multi-brand restaurant, whereby it operates over



Mohamad Ballout, Founder.

200+ brands out of 200+ outlets (dine-in and cloud kitchens) in the region.

The hybrid model keeps consistent with their authentic cloud kitchen concept as the demand for dine-in experiences returns in a post-Covid world. Managing Director, Sabine El Najjar, maintains that Kitopi will "continue to grow all aspects of our cloud kitchen and dine-in business as we innovate and optimize our kitchens to be able to cater to all these experiences." Kitopi has always offered customers a diverse palette of cuisines and now adds diverse dine-in opportunities to bring the Kitopi experience to the next level. The team anticipates this transition will also help cement Kitopi's expansion into the UK and especially the USA, the world's largest food market, as operations there have been on the backburner for a bit since the pandemic.

Kitopi has recently capitalized on their

mission to appeal to their customers' culinary palettes as well as their ethical concerns, ensuring that good food and hospitality does not come at the expense of 'going-green'. Kitopi announced its sustainability mission on Earth Day last year with industrial technology that detects food waste and eliminates it as they hope to reduce food waste to 0% across all of its kitchens by 2023. Earlier this year, they also opened up a Robotics Hub in Denmark which will play a major role in achieving this. "We're constantly exploring ways in which we can continue building technology to find new and improved ways of simplifying operations." Says Saman, "which will allow for our people to do what they do best – which is make delicious food!" Kitopi sees several more tech advancements on the horizon as they move forward with their ambitious plans for expansion within global markets while delivering exceptional customer experiences.

SPOTLIGHT | INSTASHOP



## INSTASHOP, THE ONE-STOP-SHOP FUELLED BY DUBAIANS' CULTURE OF CONVENIENCE



Fed up with the inconvenience of remote grocery shopping in Dubai back in 2015, Greek entrepreneur John Tsioris said to himself, “I’m done with this, let’s create an app and take this experience to the next level.” John reimagined his suboptimal and frustrating past experiences to create an effective and efficient business model for an online ordering and delivery platform he called InstaShop.

The grocery-on-demand start-up was first launched in Dubai but expanded across the rest of the UAE and into Qatar, Egypt, Bahrain, Lebanon, and Greece. Originally a marketplace for on-demand grocery delivery, InstaShop has also now expanded to cater to florists, pharmacies, butcheries, bakeries, and pet shops. “The Middle Eastern market

continues to prove how fertile it is for ventures such as ours. When it comes to e-commerce in particular, Dubai is dominantly positioned, given the fast-paced lifestyle of its residents, putting convenience at top importance and making product-market fit an easier job for delivery related startups,” says John. There seemed to be no question that Dubai, with its Arabian culture prioritizing convenience in a service-oriented society, would be a perfect starting ground for such a startup idea.

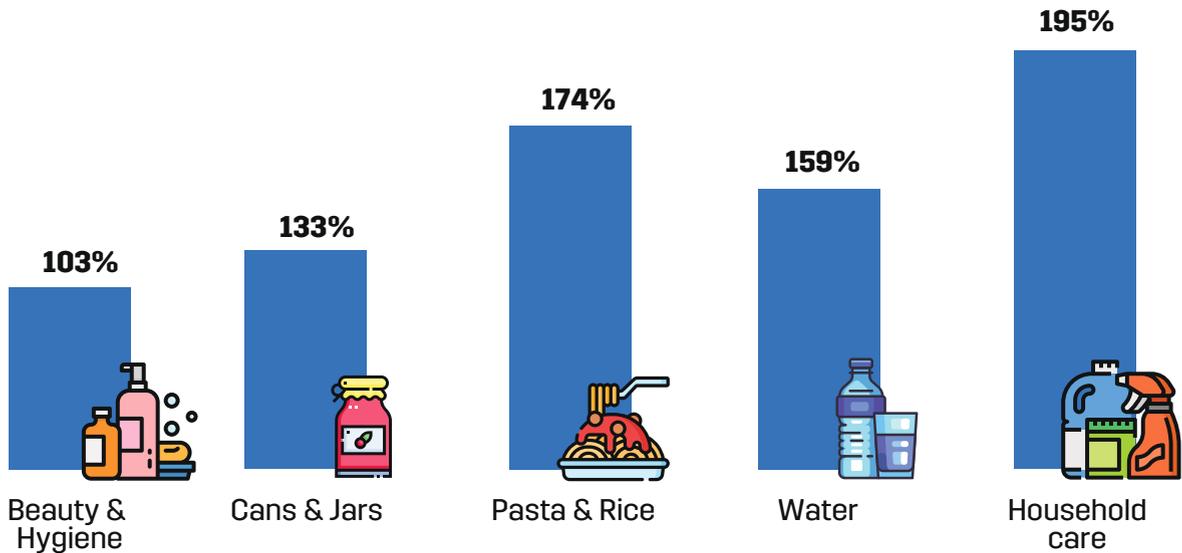
John moved to Dubai in 2013 as a marketing intelligence manager at a Fortune 500 consumer goods company, but it didn’t take long for the young entrepreneurial-mind to start craving something more stimulating than a well-paid 9-to-5 job. Two years later,

John had successfully navigated the commercial capital of the Middle East and connected with co-founder Ioanna Angelidaki to pursue what was soon dubbed “one of the most promising UAE startups of the year,” according to Forbes Middle East.

InstaShop was first introduced as a minimum viable product (MVP), and within a month had developed a simple iOS application where the user could place an instant order. InstaShop started with just US\$ 365 thousand from two VCs, Dubai-based Jabbar Internet Group and Greek VC Venture Friends; both also backed its first seed round of funding worth US\$ 750 thousand a few months later. 2016 simultaneously saw the opening of InstaShop’s first office as well as its



**CATEGORY SALES GROWTH FEB - MAR 2020**  
PERCENT GROWTH (%)



Source: Instashop Data Intelligence, 2020

first Forbes award, “Digital Business of the Year.” Shortly after completing a year of its launch, InstaShop had partnered with more than 20 supermarkets providing for a pool of 60,000+ shoppers through its iOS and Android mobile apps. The next few years would bring more awards, more offices, and more success! Currently, InstaShop caters to more than 850,000 active users as of Q1 2022.

In most interviews concerning InstaShop’s journey, John is a man of few words. “We just put our heads down and work hard - the results speak for themselves.” Within a year of establishment, the startup had garnered the attention of one of the UAE’s first unicorns, Souq.com (now Amazon). In 2016, Souq.com announced its

investment in InstaShop with seed round funding at an undisclosed amount for a ‘significant stake’ in the startup. Co-founder and CEO of Souq.com, Ronaldo Mouchawar, is known to invest in early-stage e-commerce startups across the region, maintaining that his company can take a strategic investor role, while helping young and innovative startups and their founders find capital, an area that he says he struggled to do in his early years.

For a few years following InstaShop’s founding, grocery delivery had low market recognition and penetration, which made it very difficult for supermarket owners to comprehend its benefits to their business and to the end consumer. “I can surely say that there was no paved way for InstaShop

to walk, as grocery delivery is very different from food delivery,” explains John. When the pandemic hit in 2020, though, all forms of e-commerce in MENA grew significantly where it had once been lagging behind the rest of the world, and e-grocery specifically became the fastest growing segment in the sector. “Being one of the first companies to specialize in this particular segment of e-commerce in the UAE, in a way – we played a significant role when it comes to professionalising grocery delivery.”

As a provider of all things food, grocery, pharmacy and medication, Instashop saw major growth when corporate hypermarkets and department stores like Carrefour struggled to deliver for the millions of consumers stuck

## SPOTLIGHT | INSTASHOP



John Tsioris, Founder.

at home. “There is no one challenge that a company needs to solve to be successful; in fact, if you want to be the best in your industry, you need to constantly evolve,” says John. Within just a few weeks of the pandemic hitting the region, InstaShop’s daily delivery numbers had doubled while basket value and app downloads had increased by 61% and 70% respectively. The UAE in particular witnessed a pronounced increase in online grocery shopping, with 40% of UAE consumers shopping online in December 2020; in comparison, the global average for online grocery shopping is 30%. Over half (54%) of InstaShop consumers in MENA said they plan to use these service in future, indicating the stickiness and the power of providing ‘convenience’.

As pandemic revenues surged, InstaShop soon caught the eye of global food delivery market leader, Delivery Hero, who acquired the company at a US\$ 360 million valuation in 2020.

“The acquisition came right after the peak of Covid-19, a very difficult time for us, but at the same time a period that proved the potential of the company we built and how much higher it can reach.”

Berlin-based Delivery Hero had previous acquisitions of deliveras.gr and efood in Greece, but its purchase of InstaShop marks one of the largest deals among startups with a footprint in Greece, as well as one of the largest exits in MENA. InstaShop remains an independent brand with its established leadership, but the partnership allows it to expand further across the MENA region while Delivery Hero ventures deeper into the grocery vertical. The acquisition also allows InstaShop and Delivery Hero a jump-start over American Instacart and other online grocery delivery players who have not ventured outside North America yet. As an aside, US-based Instacart has raised over US \$2.9 billion, and only has a footprint in the USA and

Canada. John points to InstaShop’s fast growth to international markets being a critical component of its success and later acquisition; he makes the suggestion that this kind of growth and international expansion mindset may not have been possible had he not started InstaShop in Dubai. John remarks, “there truly is a globally-minded nature to entrepreneurs in Dubai, that isn’t as pronounced in the rest of the world.”

John also appreciated “how welcoming Dubai is towards investors and this is consistently proven by the attraction of reputable international investors acquiring Dubai-based startups for the largest tickets in the region to date.” He adds, “being a world-class financial and innovation hub, it’s clear Dubai is doing something right with regards to catching the attention of foreign investments, which is critical for local startups to also have access to additional funding sources at later growth stages, as well as viable exits.”



## CASHEE-ING ON FINANCIAL LITERACY IN THE MENA REGION

Cashee, a fintech startup born with an aim to improve financial literacy among the youth, provides access to digital banking and a (pre-paid) VISA card designed for teens, who often don't have access to a bank account in the region, until they are 18 or 21 years old. Cashee is a fintech and edtech application that empowers youth to make their own financial decisions and to learn the value of money.

Brad Whittfield, Cashee's Co-Founder and CFO, shared, "I learned so much from opening a children's savings account back home in New Zealand when I was six years old. There was nothing quite like the feeling of depositing a few coins into the account and feeling a sense of pride about 'saving'." He said he wanted to have something similar in the region that could replicate many of those lessons for his own kids.

Cashee is the UAE's first regional teen-oriented banking solution. Cashee is entirely free to the customer, there is no subscription fee. Cashee is also bank agnostic, which means regardless of where these children's parents bank, children can get a Cashee account. Cashee also provides parents with both visibility and spending controls. The expectation is that controls will reduce as the teen gets older and more independent. Practical money management lessons are likely a strong selling-point for Cashee, as 80% of parents polled found it challenging to teach their kids and teens about money, despite 8 out of 10 parents polled stating that they provided their children with a monthly allowance in the form of cash.

The startup recently announced its partnership with Arab National Bank in Saudi Arabia (ANB), along with plans to launch in Saudi Arabia by Q1 2023. This partnership not only gives Cashee a direct go-to-market pathway to launch in Saudi Arabia, but also involves direct investment and financing by ANB, who have become a strategic investor into Cashee. ANB acquired an undisclosed stake in Cashee, as their recent Series A funding round closed for USD \$3 million. Brad says the funds will go towards Cashee's expansion into the Kingdom as the team makes their solution and products available to another market of teenagers and young adults in the Middle East. COO and Head of ANB, Aiedh Al Zahrani, says their partnership with the platform aligns with the bank's digitalization efforts as they journey into fintech and digital banking solutions.

More importantly, Aiedh hopes the partnership will drive financial education and inclusion in Saudi, which is also one of the primary goals of Saudi Arabia's Vision 2030. ANB is hopeful that digital solutions like Cashee's one-of-a-kind banking solutions for youth will encourage savings among Saudi youth and foster a culture of financial literacy in teens from a young age. Given that the youth market remains untapped, Gups Jutla, Cashee's Co-founder and COO added "In KSA, we are targeting 6-18 years old, which represents over 6 million and close to 18% of the total population."

When Cashee polled hundreds of parents in the Middle East early in its startup journey, Cashee found that parents



From left to right: Brad Whittfield, Co-Founder, CFO, Smeetha Ghosh, Co-Founder, CEO, Gups Jutla, Co-founder, COO



and families in MENA are providing cash allowances to kids comparable to figures that American parents are providing their children, which averaged approximately 480 AED per month. “This was a point of interest for us,” says Brad, “because there are several teen-oriented FinTech startups in America right now that are reaching unicorn status.” As families in the region realize the importance of youth-oriented banking and financial literacy, Cashee and ANB are positioned well to be the provider of choice for both youth and their parents.

Gups says he expected Cashee to go live in the UAE by the end of the year. When we asked Gups how Cashee’s experience of launching in Dubai has been, he replied, “the UAE is a great market to launch a tech start up. With its digitally savvy population and high smart phone penetration, our pre-launch success in the UAE was really a confirmation of the need of such a product for families in this region and helped us accelerate our foray into Saudi.” Brad revealed that Cashee originally targeted around US\$ 800 thousand for its seed funding round, but thanks to the overwhelming response from the investor community, the team was able to explore and ultimately make the strategic decision to close the seed round at US\$ 1.3 million. “We are very thankful we did,” expresses Brad, “because navigating the white-water rapids of the fintech ecosystem needs a decent amount of seed funding.” Smeetha Ghosh, Cashee’s Co-founder and CEO, also told us that Cashee has been accepted into the Ma’an social incubator led by the Authority of Social Contribution in the UAE, a one-of-a-kind opportunity the startup may have missed out on, were it based in any other city. “This incubator focuses on startups which will have a positive social impact in the UAE,” says

Smeetha, “we couldn’t think of a better fit for our social mission at Cashee’s to drive financial inclusion and literacy amongst our youth.”

Cashee has also signed other strategic partnerships this year, such as Cashee’s direct partnership with Visa as part of their Fastrack Fintech Program. Alex McCrea, VP and Head of Digital Partnerships and Ventures in Central Europe, Middle East, and Africa (CEMEA) at Visa, sees access to Visa experts, technology, and resources helping Cashee and other emergent fintech’s in the region critical to helping them launch with unprecedented speed. Cashee has also partnered with GEMS Education and many other school groups in the UAE, which has given Cashee access into several schools teaching children about money management in financial education seminars. The team hopes these partnerships along with their app will provide the financial basics and life skills that teens need and deserve.

Cashee now has over 92,000 app downloads and over 41,000 signups in the UAE alone. The app connects parents and children over the topic of money management, encouraging communication on money matters. “We are thinking deeply about how we can help promote concepts such as building savings and building delayed gratification resiliency in our children through the app,” says Smeetha. The app offers both parents and children tracking of individual earnings, savings and spending – producing graphs as well as financial advice based on recent activities. For example, the app might ask a user to spend a little less on a particular expense while highlighting their good spending vs earnings ratio for that month. Customers also testify to the apps’

convenience of helping users doing away with carrying cash around. “It’s helpful when I travel, as I can just ask my mom to send me money any time instantly and then I am good to go,” says 14-year-old, Amenah Almuhairi, an Emirati teen snowboarding athlete, who is also part of Cashee’s Teen Board of Advisors. Smeetha hopes the app’s many features will primarily cultivate financial literacy and inclusion from a young age in the Middle East while also driving the journey of digitalization towards a cashless society. Cashee is tapping into an untapped demographic which is a population of well over 12 million youth between the UAE and KSA, with 4 million being in their teens. The Middle East region is home to over 37 million teens, making the growth potential vast; and with governments, parents, banks and youth all invested in financial inclusion and financial literacy of the next generation, it would appear a solution like Cashee’s would be well-positioned to succeed in the market.



SPOTLIGHT | BINANCE



# BINANCE ON WORKING TOWARDS LEGITIMIZING CRYPTO THROUGH EMBRACING REGULATION FROM DUBAI



Binance's exchange is the world's largest crypto exchange by volume.

**\$76 BILLION**

24h trading volume on Binance exchange

**350+**

Cryptocurrencies listed

**120 MILLION**

Registered users

**<0.10%**

Lowest transaction fees

Source: Binance Media Fact Sheet, 2022

It's hard to imagine that Binance is only five years old. The company became the world's leading cryptocurrency exchange within a year of establishing itself in 2017, and recorded a whopping \$200 million profit at the end of its second ever quarter. It seems Binance founder and CEO, Changpeng "CZ" Zhao, has never looked back since.

The global platform provides people access to a wide network of financial tools, fostering monetary freedom while maintaining the lowest fees in the business. Binance's reach now extends far beyond just cryptocurrency trading services. Binance has launched

their own fintech solutions such as their own digital wallets, fintech digital payments apps, their own credit cards, and their own stablecoins pegged to major currencies like the US dollar. Binance has also invested heavily in the general cryptocurrency ecosystem from an educational standpoint, having launched Binance Academy to educate the public on all things crypto for free.

Binance also acquired CoinMarketCap.com which has served as a main crypto price tracking tool for retail investors since 2013. The crypto empire also has active projects and investments in blockchain and infrastructure solutions



## BINANCE PRODUCTS



Source: Binance Media Fact Sheet, 2022

startups, investment and incubation initiatives for wider Web3.0 applications, as well as social good and charitable programs.

Binance recently moved their leadership to Dubai, which they believe was crucial for their future global growth. As Dubai gears up to become the world's digital assets hub, it only made sense for the world's largest crypto-exchange to find home in the digital economy capital of the world. "There is huge untapped depth in the local as well as regional market for crypto and other digital assets, and we are glad to be among the first movers to ride the growth wave," says Alexander Chehade, General Manager for Binance FTZE in Dubai.

MENA has become an important hub for virtual assets and adoption due to government initiatives that support the industry, particularly cities like Dubai that have made it

clear they want to become the blockchain and crypto capital of the world. Greater crypto adoption aligns with many local governments' aims to keep pace with regional and international changes to foster innovation and economic competitiveness. October saw a 49% increase in Binance's user sign up year-to-date across the Middle East as well as the recruitment of 400 employees in Dubai alone, a very proud and significant milestone for the whole team.

In the UAE's well-regulated crypto market, Binance is working with regulatory bodies to obtain the necessary licenses and is helping to shape policies that adequately protect consumers, encourage innovation, cultivate progress, and move the industry forward. The company received its Minimal Viable Product (MVP) license from Dubai's Virtual Asset Regulatory Authority (VARA) in September this year, meaning that they can now offer an approved range of virtual asset related

SPOTLIGHT | BINANCE

**BINANCE BY THE NUMBERS**



**120 million users** in 180 countries



In 2021, Binance achieved **\$7.7 trillion** in trading volume via the Binance platform, with roughly 30 million users.



The Binance trading platform offers the capacity to process more than **1.4 million orders in a second**.



Binance Labs, the venture capital arm and incubator of Binance, manages **total assets of \$7.5 billion**, comprising more than 200 portfolio projects.



More than **50% of Binance users** have at least one trackable action per day.



More than **6,000 employees work for Binance globally**, representing more than 50 nationalities. They live across Asia Pacific, Europe, the Americas, the Middle East, and Africa.

Source: Binance Media Fact Sheet, 2022

services to suitably qualified retail and institutional investors in Dubai. They also received a Financial Services Permission (FSP) from the Financial Services Regulatory Authority (FSRA) in the Abu Dhabi Global Market (ADGM) and can now offer custodial services to professional clients in and from the ADGM.

The MVP license itself is a major milestone that attests to Binance's desire and commitment to be a regulation-led platform with robust compliance and security controls that has consumer protection and

market integrity at its core. Alexander explained, "We appreciate that VARA and any of the government entities in the UAE aim to strike an effective balance between value creation and risk mitigation, enabling open market innovation while assuring protection for users. This fully aligns with our own views on the role of regulation in advancing adoption and trust in our industry, and therefore it is fantastic that Binance is recognized as a select global player committed to responsible industry participation and an active contributor to Dubai's objective of creating a next-gen secure ecosystem

for this future economy."

As front runners in the Web3 ecosystem, Binance seems to have taken a collaborative approach with global regulators and government bodies. Binance seems committed to sharing best practices and supporting regulatory formulation of jurisdictions aimed at developing a best-in-class framework to shape the future of regulation. Their work with the UAE and Bahraini governments represents a forward-looking public-private partnership supporting innovation and growth while assuring that risks are



thoroughly addressed and consumers are adequately protected. In an interview CZ gave to Entrepreneur Middle East a year ago, he shares, “There are many advantages for us to embrace regulation now. I think that today, most people have probably heard about crypto, but probably less than 2% of them have some kind of crypto and those are the early adopters, who are willing to put, like, their savings into a website that’s located offshore, with no office space, no licenses, etc. But the majority of people won’t do that – they will trust a platform that’s licensed by a government regulator

more. As such, having licenses will allow us to access the 98% of the market we can’t access today.” This sentiment likely explains why Binance has been on a targeted hiring spree as of late, bringing onboard senior Chief Compliance Officers, Chief Regulator Liaison Officers, and CEOs of various global regulatory bodies onto Binance’s team here in Dubai.

As for the next area of focus for Binance, it seems to be to drive further B2B crypto adoption. B2B adoption of crypto is certainly growing in interest, but many businesses are still quite

early-on in their journeys and buy-in is still in its nascent stages. Binance has taken it upon themselves to coach these businesses on how to do KYC, monitor transactions, list wallets, and the like with a view to pushing safe adoption forward. “The strategy is about making the crypto industry bigger,” says CZ. “We are happy to be a facilitator and collaborate with institutions, fund managers, corporates, family offices, and high net worth individuals to share our knowledge and best practices on proper custody.”

## SPOTLIGHT | TIKTOK



## TIKTOK FOR SMES AND STARTUPS: DON'T MAKE ADS. MAKE TIKTOKS



You'd be hard-pressed to find someone who hasn't heard of TikTok today, but let's go back to a time before the video-sharing app had taken over the internet. It's 2016, TikTok has just been released to the public and two years later, it has become the most downloaded app in the US. Fast-forward an additional 2 years in the midst of a pandemic, and TikTok is now the most downloaded app in the world!

Today, TikTok is the 7th most used social platform worldwide with offices in Los Angeles, New York, London, Paris, Berlin, Singapore, Jakarta, Seoul, Tokyo, and of course, Dubai.

The UAE has been a prominent player in the global technology sector since big tech companies first put down roots

there in the early 2000s. Dubai has recently established itself as the ideal hub for thriving talents and businesses of all sectors and sizes, and TikTok's presence in the Emirate is a testament to its long-term commitment to the tech ecosystem both in the UAE and across the region.

Oman and Qatar had the highest percentage increase in followers among their top three influencers from 2020 to 2021, and the top 10 GCC TikTok influencers showed 120% increase in followers from 2021. As of January 2022, Saudi Arabia and the UAE had the highest TikTok reach worldwide. "Globally, more than 1 billion people come to TikTok to be entertained and we're excited by how fast TikTok continues to grow in popularity across

the region," says Talal Alfayez, Head of Government Relations and Public Policy at TikTok MENA. This year, TikTok MENA saw a growth in content across a variety of categories including food, fashion, sports, and education.

Dubai specifically has invested heavily to unlock the full potential of its digital economy and transform the Emirate into an international technology hub. Several initiatives have been introduced over the last few years as Dubai continues to attract the best talent from across the globe. "We have a diverse and talented team here at TikTok and the efforts and investments that Dubai has made have been key to enabling us to build this stellar team who not only support our work here but across the region and beyond," says Talal.



TikTok in collaboration with the Dubai Chamber of Digital Economy (DCDE) launched their Dubai Chamber TikTok Academy in 2021. The program focuses on 1,000 startups and SMEs across MENA to help validate and grow their businesses through the content creation platform. The partnership aims to:

- encourage adoption of the best digital practices for businesses
- share knowledge and experiences in serving and engaging SMEs
- jointly and exclusively deliver workshops for startups and SMEs
- accelerate innovation in the SME community.

Academy participants receive access to a dedicated online training portal that offers modules accompanied by dedicated business canvassing sessions for startups. This includes knowledge sharing sessions from industry experts at TikTok and Dubai Chamber, and mentorship from the Dubai Chamber as well as the chance to win prizes for best TikTok video submission and best campaign.

Those conducting the training modules and knowledge sharing sessions are diverse and talented members of the Dubai Chamber and TikTok teams. They are experts when it comes to everything SME as well as TikTok - the product itself, creativity on the platform, and how to make the most of advertising on the platform for businesses to reach and engage with their audience. These tools help businesses build their presence on TikTok and leverage it to grow their brand power, while expanding outreach to relevant audiences across the MENA region as Dubai moves towards its digitally dominant economy.

As of 2022, the Dubai Chamber



Talal Alfayez, Head of Government Relations & Public Policy, MENAT at TikTok

TikTok Academy has helped several entrepreneurs and start-ups develop their digital growth strategies across a variety of industries including tech, art, health, construction, and sustainable energy. Talal says, "SMEs and start-ups are a key driver of economic growth across the region and valued members of our TikTok community. We want to ensure they are set up for success by providing them with the tailored support and knowledge needed to optimize the benefits they can generate through our platform to meaningfully engage with their audience and express themselves creatively."

TikTok also launched its inaugural TikTok MENA Creator Hub in September this year. The program connects the next generation of content creators with the right mentors to upskill their talents, encourage them to contribute to raising awareness of pressing issues, and add their voices to the budding creative economy. Each year, the program will highlight a global cause that presents

a significant challenge to humanity and invite participating creators to produce creative content ideas around the specific topic. This year's theme was climate change, chosen because of the crucial discussions around sustainability taking place in the region, spurred by COP27 in Egypt and COP28 in the UAE next year.

"TikTok's mission is to inspire creativity and bring joy. We are keen to nurture talents and provide them with a platform to inspire, engage, create, and connect." Seeing as a quarter of TikTok users are aged between 20 and 29, aka millennials and "Gen-Z", the company is dedicated to promoting connectivity, empowerment, social justice, and sustainability even through its educational training programs as their clients and users in the region exhibit the perfect balance of maturity and "wokeness". Big things are in store for TikTok MENA, says Talal, and we're sure you won't want to miss it!

SPOTLIGHT | TURTLEMINT



## TURTLEMINT ON USING DUBAI AS ITS LAUNCHPAD FOR GLOBAL EXPANSION



From Left to right: Laxmikant Pawar, Senior Director, Turtlefin, Akshay Sardana, Director & Vice President, The Continental Brokers Ashok Sardana, Founder & Managing Director, The Continental Brokers, Amreesh Kher, Chief Partnership Distribution Officer, Turtlefin Anselm Mendes, Executive Director, Sales & IT, The Continental Brokers]

Founded in 2015, Turtlemint is a digital platform designed to empower financial advisors and help them give the right advice to their customers. Their digital solution helps financial advisors match customers with products that are suitable for them, share quotes and sell online, easing the burden of paperwork for maximum efficiency while facilitating transactions.

As the world's second largest population with over 1.2 billion inhabitants, India is still largely underinsured with an insurance penetration of around 4% as of 2021.

Turtlemint's vision is to ensure that customers are able to get the right insurance and financial products for themselves & their families. They do this by empowering advisors in even small towns & cities of India. The advisors can use their platform for selling, accessing learning content, providing end to end support to their customer including claims. Their services are offered in India's 8 major languages, helping advisors conduct their business in a language they are comfortable in, while also educating the Indian population on financial entrepreneurship and security. With an

approach uniquely different from that of major rivals, Turtlemint has a major share of customers present in cities beyond the top ten metros in India.

Turtlemint announced its most recent series E funding round earlier this year, which raised \$120 million under Amansa Capital and Jungle Ventures among other previously signed investors as well as newly participating Vitruvian Partners and Marshall Wace. The latest of its 6 rounds brings the company's total funding to US\$190 million with 13 investors since its initial launch. This grants the insurtech start-up a "slightly



less than unicorn” status, as their co-founder Dharendra Mahyavanshi puts it. Turtlemint’s current plans for its latest investment funds include expanding its executive team, entering new markets, including the Middle East through its newly minted operations in Dubai, and improving its product offering. Turtlemint works with over 45 insurers and more than 10 million policies have been sold through its platform so far. More than 400 thousand users use the platform to share marketing content, create and manage leads, and sell insurance products as it also provides a salesforce upskilling tool with 150+ hours of in-house content.

Their enterprise suite of products is called Turtlefin, where they offer SaaS and API solutions, to enable digital insurance distribution for enterprise customers. Turtlefin currently works with 400,000+ financial advisors & 25 enterprises across banks, non-banking

financial corporations, conglomerates, fintech and new-age startups in India and MENA.

Their cloud-based insurance distribution platform has end-to-end policy issuance capabilities. Key features include a lead management system, product suitability analysis and recommendation engine, quote & product comparison, and payment gateway integration. The adviser app allows empaneled advisers to provide a range of insurance products to their customers, including health, life, PA (personal accident), and vehicle insurance, as well as subscription software to insurers and banks. The platform is further complemented by a learning and certification module to help enterprises continuously upskill their advisors on the go. More importantly, however, the company encourages advisers to develop key client relationships by integrating

a platform for customers to share content and quotations on. Turtlefin’s technology has been empowering some of the biggest autotech, pharimatech, retail, and telecom enterprises in India.

Their recent funding falls in place with the company’s anticipated expansion into the Middle East. The team announced the launch of its first UAE-based office in Dubai in 2022. The MENA region is known for its quick-developing tech market, and they aim to become one of the main providers in this tech-savvy ecosystem. Laxmikant Pawar, Senior Director at Turtlefin, leads their operations in the UAE. Turtlefin told us that they see a massive opportunity in the Middle East market to assist banks, insurers, and financial institutions in becoming digital-first by facilitating a combination of legacy systems and new insurtech capabilities in order to offer seamless digital experiences for clients. The interaction



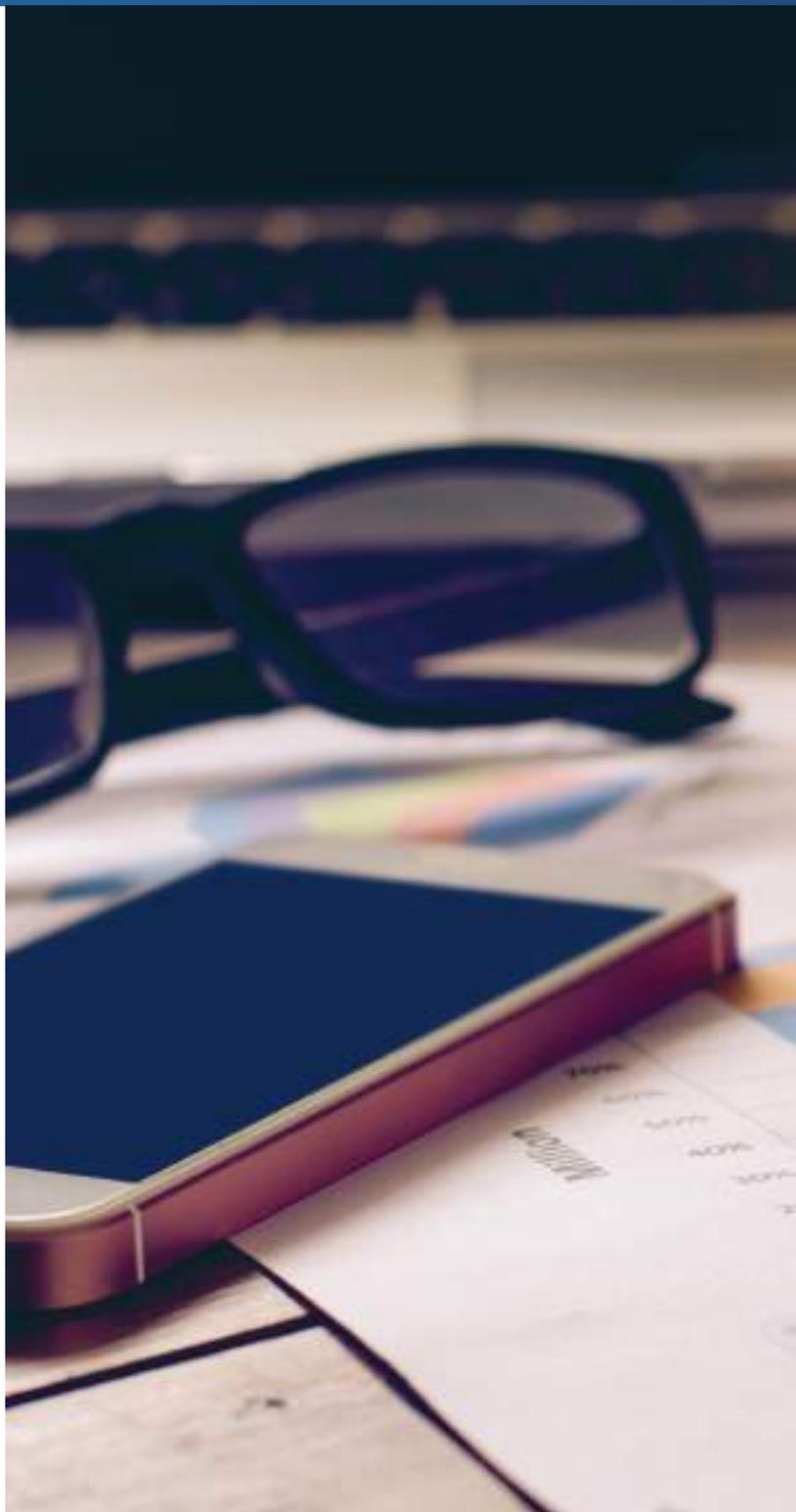
## SPOTLIGHT | TURTLEMINT

of Turtlefin's One API offering, with Mashreq Bank's insurance providers through APIs, built specifically for the MashreqPad platform, has put the company in communication with over 100,000 SMBs (small to medium sized businesses) in MENA. The start-up recently also announced its partnership with Continental Brokers, one of the largest insurance brokers in the UAE.

When asked to comment on their experience expanding to Dubai, Amreesh Kher, Chief Partnership Distribution Officer at Turtlefin, said "Dubai has a flourishing business ecosystem aided by policies that are favorable for enterprises to thrive, such as visas for entrepreneurs or zones that offer special benefits to startups. Government projects, the benefits of private-public partnerships, as well as the strong presence of venture capitalists and forward-thinking investors contribute to Dubai being our first choice to support our growing venture." He added "What has been really exciting for Turtlefin is the encouraging responses and enthusiasm from banks and enterprises in going digital and providing customers with their seamless digital experience."

The UAE has been at the forefront of establishing entities that help new startups and well-established companies to set up offices quickly and get access to the market. "We feel that the environment in Dubai is extremely welcoming for startups like us to innovate and disrupt the ecosystem." Laxmikant says entities like Dubai Chambers have been providing support and guidance on setting up a branch or a new company in the UAE, and Dubai Chambers' membership includes access to forums and gatherings where businesses can exchange ideas and broaden networks.

"There is enormous opportunity for us in the UAE's insurtech space," says Laximikant. "Considering the number of enterprise customers available." He's referring to the thousands of insurance brokers, banks, and insurers with insurance distribution networks in the country, that provide the perfect market for Turtlefin's SaaS solutions to help create a fully digital insurance ecosystem.





SPOTLIGHT | DELIVERECT



## WORK SMARTER, EAT BETTER WITH DELIVERECT



Naji Haddad, General Manager MENA region



Deliverect is a Belgian SaaS company, founded in 2018, that simplifies online order management for establishments across 40 markets. The company was founded by Jan Hollez, Zhong Xu, Jelte Vrijhoef, and Jerome Laredo as their personal contribution to the hospitality sector, but the inspiration behind it first came from Zhong's father, who migrated from China to Europe in the late 80's. Working in Chinese restaurants to earn money to complete his PhD, Zhong's father saw firsthand the pain-points faced by local restaurants and built a PoS (point of sale) system for Chinese restaurants in Belgium. A young entrepreneur himself, Zhong later entered the hospitality industry with a mission "to help the

food industry thrive so that they can focus on what they're best at - serving great food and being the glue of society." This led Zhong ultimately to becoming Deliverect's co-founder and CEO.

In 2010 before Deliverect, Zhong and Hollez founded POSiOS, an iPad-based PoS system for European restaurants. POSiOS was acquired by Lightspeed in 2014 and its success story soon became the origin story of Deliverect. "Deliverect was born in 2018 as a way to bridge the gap between delivery platforms and POS systems."

Following its 2018 launch, Deliverect raised over \$20M in Series A and B funding rounds and fulfilled over 3.5

million orders before its decision to go global was announced in 2020. A major driving factor for this decision was the COVID-19 pandemic when businesses and customers worldwide were plagued by lockdowns and social distancing. As restaurants were forced to put a hold on dine-in services, Deliverect facilitated the switch to online ordering by waiving sign-up fees and implementing monthly subscription fees as many restaurants were unable to make yearly commitments in the unpredictable economy. CEO Zhong spoke to us on Deliverect's adapted mission at the time, "In the current climate in particular, we help restaurant businesses get onto all these different online channels, so they can generate



revenue by selling online.” Dedicated to the hospitality industry, the Deliverect team wanted to provide a lifeline for businesses to minimize losses and generate revenue after the major hits they took during the pandemic. “This is why we do it,” says CTO, Hollez, while recounting a business dinner with one of Deliverect’s clients, when the client insisted on paying for the meal to thank Deliverect’s team “for getting them through the pandemic.”

The latest fundraising rounds were used to optimize Deliverect’s technology for restaurant-personalized dashboards with several updates to the system. Deliverect Insights identifies key patterns in restaurant performances and numbers so teams can strategize effectively. Deliverect’s SaaS provides product, restaurant location, and delivery platform comparisons for customer satisfaction. The ‘Pickup Manager’ functionality connects customers and drivers for smooth communication during deliveries.

Following these updates and others in 2021, Deliverect reported that restaurants adopting its software exhibited a 25% increase in sales, 30% increase in online orders, and 80% decrease in transaction failures.

Since its establishment in 2018, Deliverect has experienced high demand for its solutions and continued global expansion and growth year by year. Deliverect has expanded to 32,000 locations, across 40 markets, in 2022 as compared to 5,877 in 2020 and 160 in 2018. Similarly, the number of transactions has increased from 130,000 in 2018 to 88 million in 2021, a whopping cumulative annual growth rate of 295%! Business has grown by 384% in the MENA region alone this year, and the company celebrated its 200 million order milestone in October this year.

In January this year, Deliverect announced its newly minted unicorn status which came after the company’s

most recent series D funding of \$150M, bringing the valuation of the startup to over \$1.4 billion. As Belgium’s first unicorn of 2022, Deliverect has also been listed internationally in the “Top 250 Fintech Companies” and “Top 100 Cloud Companies” among 17,000 entries from 26 countries across the world. The company has also recently been nominated by the Flemish government for EY’s Scale-Up of the Year.

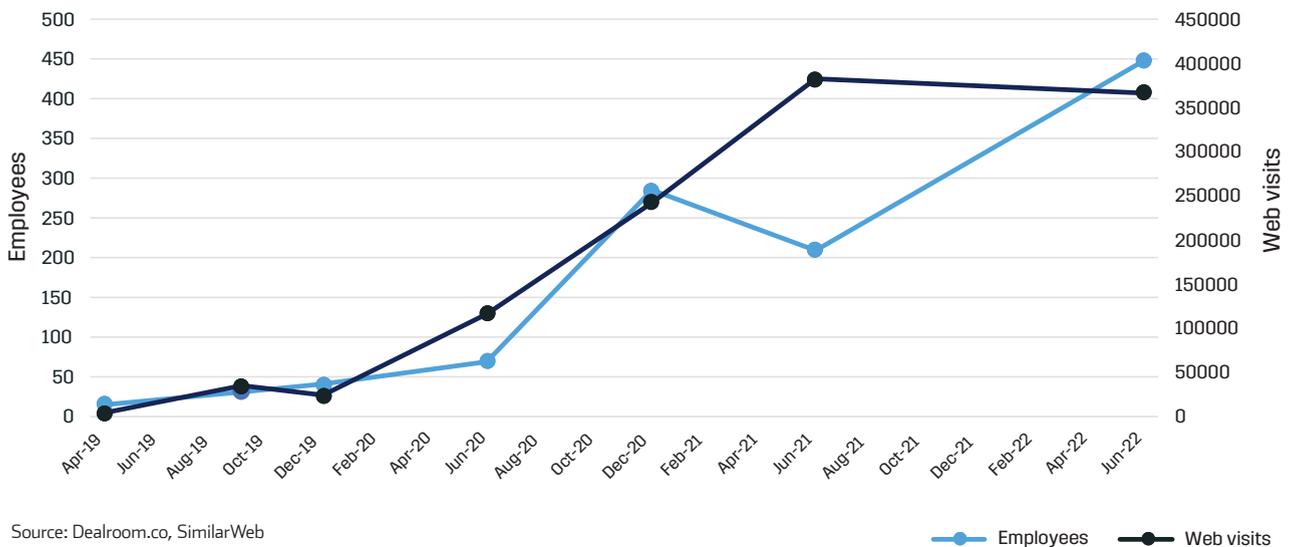
As for their plans for their recent fundraising, Deliverect launched Deliverect Marketplace – which was previously known as its App Store – is a first-of-its-kind online ecosystem of food industry partners. It connects hospitality players such as stock management, kiosk, POS, order & pay, food delivery services and now virtual brands, so restaurants can streamline costs and efficiencies, generate incoming leads, boost sales, and more. The Deliverect team also plans for engineering and technology

Lead investor(s)	Fiscal year	Funding	Value
Imec.istart	2018	Seed round	\$58K
Newion, SmartFin	2019	Series A	\$3.37M
Newion, SmartFin	2020	Series B	\$17.6M
DST Global, Redpoint Ventures	2021	Series C	\$65M
Coatue, Alkeon Capital Management	2022	Series D	\$150M

Table 1 summarizes Deliverect investments until FY 2022. Source(s): Crunchbase.com

SPOTLIGHT | DELIVERECT

DELIVERECT ANALYTICS 2019-2022



Source: Dealroom.co, SimilarWeb

advancements in anticipation of a portfolio expansion beyond restaurants to include grocery and convenience stores by 2023. They also see Deliverect’s expansion growing into North America.

Speaking of their journey of coming to and establishing an office in Dubai, Naji Haddad, Deliverect’s General Manager for the MENA region, says the Deliverect team was attracted to Dubai because of its reputation of being “a hub for innovation and a gateway to the region, fostering a unique ecosystem for startups to grow.” Naji elaborates, “as a major player in the hospitality industry, Deliverect goes wherever the F&B sector is strongest, which also happens to be in the UAE and KSA.”

Naji explains that after assessing the Dubai market, the Deliverect team saw extreme demand for the solutions they provide and major opportunities

to engage with industry leaders. Deliverect was also impressed with Dubai’s ambitions to build a smart-city, and the technologically savvy population of entrepreneurially minded people. Recently named as “The Most Supportive Environment for Entrepreneurship” by the Global Entrepreneurship Monitor (GEM), Dubai continues to offer the most supportive ecosystem for startups and scale-ups like Deliverect. On attending the Unicorn Breakfast at the biggest tech conference in Dubai each year, GITEX, Naji was most taken by the significant support shown by the Dubai government for the sector’s overall growth.

Deliverect recently commissioned a survey conducted by Censuswide, investigating the effect of recent increases in the cost of living on the F&B sector globally. Findings revealed that with price hikes, people put

more thought behind how they spend their money and are likely to cut back on other activities such as buying clothes (44%), going out for drinks/dinner, (47%) and travelling (43%). However, 57.34% of consumers are now purchasing three or more takeaways or delivery orders per week, in comparison to 49% prior to the inflation increase.

Naji says, “the F&B sector here in Dubai is one of the strongest in the region. What I take to be encouraging in the survey results is that evidently people are continuing to prioritize and enjoy the convenience of takeaway and food delivery.” Given Deliverect’s plans to invest in technology and expand its product portfolio and scaling to serve hundreds of thousands of establishments, it is eyeing delivery numbers to further grow, as people stay in more.



## SPOTLIGHT | TALABAT

talabat

## NEARLY 2 DECADES LEADING FOOD DELIVERY IN MENA, AND TALABAT IS STILL COOKING UP A STORM



Tomaso Rodriguez, CEO



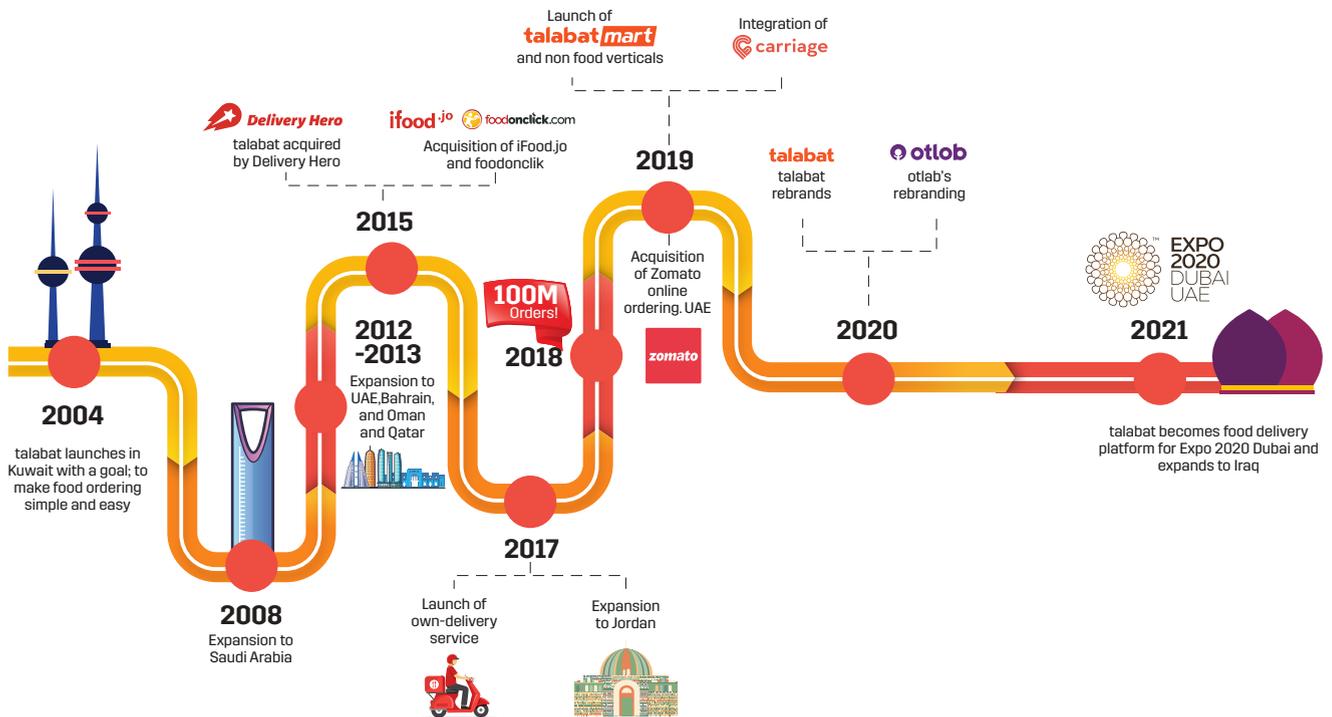
Founded in 2004 by entrepreneurs Abdulaziz Al Loughani and Khaled Al Otaibi, talabat, or 6alabat as was the original branding, revolutionized the world of fast-food and take-out for the people of Kuwait. talabat was the first and largest food ordering and delivery services platform born out of the Middle East. Achieving this status was not an easy feat so many years ago, as the company was built on online communications back when the internet was still a precious commodity. talabat staff kept busy receiving online orders from customers, disconnecting from the internet to make a call to the restaurant of interest, placing a customer's order, and quickly getting back online to receive the next order only to repeat the process again! Pick-up and delivery were another feat as Google maps didn't yet exist, either. Fast-forward some 20 years, and talabat now takes orders and makes deliveries with a few clicks of an app not only for fast-food but also groceries, flowers, pharmaceuticals, and more.

The start-up was awarded the "Best E-business Award" by the

Emir of Kuwait, Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah, in 2008 and 2009 consecutively. In 2012, the company released online mobile apps to Android and iOS users. talabat was acquired by online food delivery conglomerate, Delivery Hero, in 2015.

talabat has since absorbed other food delivery services including Carriage (Abu Dhabi) and Otlob (Cairo) and expanded from a Kuwaiti service to a chain of business in the UAE, Bahrain, Qatar, Oman, Egypt, Jordan, and Iraq. As the number one food delivery app in MENA with leading position in all its markets, talabat recently hit 100 million orders as well as 100+ million app downloads with over 70,000+ restaurant partners, each a major milestone for any company in e-commerce.

Though talabat has the advantage of time and experience, the team still makes it a point to study individual market nuances, so as to not confuse local insights with global earnings.



Source: Talabat

Tomaso Rodriguez, talabat’s CEO says, “feedback is key in this business, and talabat integrates a crucial connection to both restaurant partners and customer clientele when monitoring the online food delivery ecosystem.”

Tomaso has had a busy time with post-merger integrations, since taking up the talabat helm in 2019; talabat acquired Zomato UAE for \$172 million in Tomaso’s first year as CEO. talabat subsequently merged with Abu Dhabi-based food delivery service, Carriage, in 2020; parent company Delivery Hero had acquired Carriage for upwards of US \$100 million back in 2017.

“A lot has changed in the way we shop

for groceries and place orders for food – the pandemic drastically shifted consumer behavior towards online shopping, moving us in a direction that made us rethink how we shop, what we eat and where we buy.” Wassim Makarem - SVP Q-Commerce, says.

The pandemic also drove innovation at talabat. The talabat team in Egypt launched its premier grocery service, talabat Mart, when people needed the service most. This “Dark Store” delivers food, groceries, medications, and other supermarket buys within 30 minutes of check-out right to customers’ doors. talabat’s General Manager in Egypt, Hadeer Shalaby, announced an 80% growth in business within the pandemic

year. On the other hand, talabat UAE became the first food delivery service to complete the (voluntary) vaccination of its entire 15,000 driver fleet, speaking of the UAE’s role as one of the leading countries in the world for a pro-active pandemic response. All this has resulted in impressive growth, with talabat registering a 43% YoY growth in gross merchandise value in 2022 and YoY growth of 155% in EBITDA in 2022.

talabat was one of the first regional unicorns to move its headquarters to Dubai in 2012. Like the 70% of Fortune 500 companies who have their regional HQs in the Emirate, haven’t looked back since. Of talabat’s Dubai HQ base,

## SPOTLIGHT | TALABAT

Tomaso says, “the biggest factor encouraging relocation to Dubai is government regulations focused on empowering businesses rather than burdening them with heavy tax responsibilities that make it difficult to manage cash flow. Dubai is also known for its huge talent pool and stable economic environment that allow corporate creativity while guaranteeing financial security.”

That doesn't mean companies don't have their work cut out for them, of course. “We have good access to talent in Dubai but less so when it comes to industry-specific focus.” Compared to Europe and the US, Dubai still has fewer digital and tech industry specialists; moreover, it is harder to attract global candidates to the MENA region due mostly to cultural perceptions. However, the percentage of relevant industry experts in Dubai specifically has steadily increased year on year, and convincing top talent to move to Dubai has gotten a lot easier over time. The Emirate is seen as a desirable location these days due to its diversity, safety, tax-free status, weather, and lifestyle. Dubai's vast investment opportunities especially grow everyday as its forward-thinking government establishes unique investment initiatives such as the 10-year investor and executive visas to attract foreigners.

talabat is also a board member of the Dubai Chamber of Digital Economy centered around Dubai's 2022-2024 digitalization efforts. Most recently, they have partnered with the Ministry of Artificial Intelligence in the Coders HQ initiative launch to support coding language programmers and strategic enablers of the UAE digital economy. talabat tells us new and exciting collaborations will be rolling out in the new year while others are already in blueprint for the near future.







Led by Dubai, the commercial capital, the United Arab Emirates has consistently ranked in the top quartile of all major digital competitiveness rankings. In 2021, the UAE broke into the Top 10 List of the most digitally competitive countries in the world. In 2022, the UAE slipped down to 3rd place, but emerged at a respectable #3rd place ranking globally, in terms of technology adoption. The country also ranks 15th in the world for Talent and (Digital) Knowledge, and 20th for Future Readiness. It's a good foundation from which to look forward, and set out on an all new, ambitious plan.

That ambition for Dubai includes becoming the digital economy capital of the world by the turn of this decade. To accomplish this mission, Dubai has mapped out a detailed Digital Economy Strategy, both at the Emirate and Federal levels. And after the successful completion of the 2016 Dubai Blockchain Strategy, crowning Dubai as the blockchain capital of the world, Dubai has set-out several new sub-strategies under the Digital Economy Strategy, including but not limited to: Dubai's 2022 Metaverse Strategy, and additional roadmaps for Dubai to become a global hub for digital assets and Web3.0 players, as well as welcoming advanced technology startups to help foster an R&D culture and shepherd in Industry 4.0 with Dubai-based deeptech startups in mobility, climatetech, robotics, and 3D printing.

The UAE's recent immigration reforms allowing for more remote work, 10-year investor and golden visas, as well as green (nomad/remote work) visas open up more options and reasons for people to call Dubai home. The UAE is also hoping that there are more digital economy talents that come to the country, in order to help fuel their digital economy ambitions. One cannot build a digital economy without digitalists and coders, after all; as such, the country has earmarked 100,000 golden visas for coders and advanced technologists, specifically. Talent also goes where there are opportunities, and the most recent LinkedIn data in the UAE shows that digital content manager roles as well as remote work job postings both tripled in the past year.

Dubai has also benefitted from rebounding faster than most economies from the 2020-2021 pandemic. Dubai has the highest inflow of talent, globally – outpacing Singapore, Switzerland, Ireland and Canada. Today, Dubai also has significantly lower inflationary pressures (3.7%) compared to the global average (7.4%).

All of these ambitions and policy reforms, coupled with the positive market conditions in Dubai has worked in attracting major players to relocate and/or open up operations in Dubai. Some have even relocated their regional HQs as well as Global headquarters to Dubai. Binance opened one of its global



headquarters in Dubai in 2021, and a significant majority of its regulatory executive team sit here. Regional startups like Swvl moved from its home in Cairo to launch its global HQ in Dubai in 2019. Talabat, the region's own food delivery aggregator and 20-year veteran moved its global HQ to Dubai in 2012. According to CEO Tomaso Rodriguez, 'Talabat moved to Dubai 10 years ago for the same reason more than 70% of Fortune 500 companies' regional HQs are based in Dubai'.

Many startups cite ease of doing business, access to talent, ability to attract talent from abroad to relocate to Dubai, access to capital, competitive tax incentives, quality of life, and a centralized location for global endeavors as the main reasons why Dubai is the best place to setup an HQ or establish a startup for that matter. It is likely a similar explanation for why Dubai-based startups continue to attract over 50% of all MENA-wide funding (excluding Israel), and over 90% of all funding that came into the UAE over the past 5 years.

Perhaps these are some of the reasons that explains the astronomical growth Dubai's startup ecosystem has experienced in this past year alone. In 2021, all startups across the entire country raised US\$ 1.2 billion, of which the vast majority went to Dubai-based startups. In 2022, Dubai-based startups raised more than \$2 billion in the first

10 months alone, and is expected to more than double 2021 funding figures.

Fintech, Mobile, SaaS, TMT and Crypto were the top 5 industries by number of deals signed and sealed in 2022; in terms of overall total funding directed to industries, Restaurant and Foodtech took the most funding, followed by Technology, Media & Telecommunications (TMT) Companies and Mobile (app) Startups.

With key stakeholders like the Dubai Chamber of Digital Economy tasked with attracting 300 new digital economy startups to set-up shop in Dubai by 2024 and promote digital transformation across national companies, there is significant work to be done in the next two years. The Chamber has set-up a Board of strategic advisors made-up of prominent government and business leaders and investors from a multitude of digital economy subsectors to help guide this transition and provide critical insights on the entrepreneurial journey. It is this collaboration between stakeholders and ecosystem players, between veteran startup founders with exit experience, working alongside the thousands of new digital economy startups in Dubai, supporting the next generation of entrepreneurs, that will ensure Dubai's digital economy becomes #1 in the world by 2030.



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:





# **DUBAI'S DIGITAL ECONOMY AND ITS EXPANDING STARTUP ECOSYSTEM**