



## ADVANTAGES OF ESTABLISHING YOUR STARTUP IN THE UAE



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The United Arab Emirates (UAE) has emerged as a hotspot for entrepreneurial ventures, characterized by a thriving startup ecosystem that has garnered attention on the global stage. The nation's forward-thinking vision, robust government support, and strategic initiatives have fueled an environment ripe for innovation and investment, making it an attractive destination for startups.

According to the [2024 Global Startup Ecosystem Report \(GSER\)](#) findings, Dubai, Abu Dhabi, and Sharjah – rank among the top ten startup ecosystems within the Middle East and North Africa (MENA) region. Notably, Abu Dhabi has been identified as the most rapidly expanding emerging ecosystem in the MENA region, showing a 28 percent growth in ecosystem value, amounting to USD 4.2 billion. Dubai achieved a perfect score of 10 in terms of funding, based on its innovation performance associated with early-stage funding and the activity of investors. Sharjah ranked in the top 15 for knowledge and performance, attributed to its strategic location and USD 1.5 billion annual investment in education.

### **Long-term Residency Visas**

The introduction of the UAE Golden and Green Visas in 2022 represents a strategic move by the UAE to support economic growth and innovation, maintaining the quality and sustainability of businesses within the country. The approval of long-term visa applications is subject to various requirements, adding a layer of credibility to ensure that only genuine and promising enterprises can benefit. Holders of these long-term visas have the privilege of not needing a sponsor and can sponsor their family members.

### **Strategic Location**

UAE is a hub for markets in the Middle East, Africa, and Asia, boasting top-notch infrastructure and connectivity. What truly sets the UAE apart is its accessibility to the rest of the world, with one-third of the world accessible within a four-hour flight. This extensive connectivity accelerates business operations and gives logistics advantages with unparalleled accessibility to emerging markets and global supply chains, facilitating swift expansion and efficient operations.





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## Business Friendly Opportunities

The government's proactive approach to cultivating a business-friendly environment is evident through establishing free zones, offering tax incentives, full foreign ownership, and ease of business setup. The analysis conducted by Business Name Generator ranks the UAE third among 52 nations reviewed, positioning it after Hungary and the Netherlands. This study emphasizes that the UAE, the second-largest Arab economy, offers an advantageous environment for new enterprises. Establishing a business can be remarkably fast, taking as little as four days to complete.

## Economic Diversification

The UAE's strategic focus on diversifying its economy has opened up many opportunities for startups by reducing its dependency on oil revenues and investing in technology, renewable energy, and healthcare. This shift has created a fertile ground for innovative ventures. In Abu Dhabi, the Chamber of Commerce and Industry has set up a dedicated working group for startups and SMEs to collaborate with the government and private sectors. The initiative aims to foster innovation, tackle challenges, and drive economic diversification for continuous growth. The group focuses on creating a conducive business environment and developing plans to attract representatives from these enterprises to promising sectors, particularly in modern technology.

## Funding and Investment

The country's startup ecosystem has maintained its position as the most well-funded in the region, with startups based in Dubai alone raising USD 455.5 million in the first half of 2024. In April 2024, according to a report by Wamda, six startups from the UAE collectively secured USD 32 million in funding. This made the UAE the top recipient of startup investments in the MENA region for that month. Here are some of the establishments that support startup funding and investment in the UAE:

- Dubai Next

The first official governmental online crowdfunding platform in Dubai that supports ideas and startups through community contributions. Individuals seeking funding can create a campaign with a specific objective and receive support from community members, private companies, and governmental agencies to bring their ideas to life.

- Emirates Angels Investors Association

Emirates Angels Investors Association is a registered NGO in the UAE that works towards boosting the startup scene by linking active investors to early-stage investments. It promotes local adoption of global best practices in angel investing and offers education and connections for investors and startups regionally and internationally.

- Dubai Future District Fund

DF2 was established to provide additional funding for innovative technology startups in the area. It aims to increase the availability of venture capital by investing in local, regional, and international venture capital funds and startups within the Future of Finance and Future Economies.

Overall, the UAE's combination of strategic initiatives, supportive policies, and a focus on sustainable economic growth makes it a desirable destination for launching and nurturing a startup. For any entrepreneur looking to launch or expand their venture, the country presents an inviting and fertile environment packed with possibilities.

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