

# Dubai Internet City



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## Context and Background

Access to technology is critical for the economic growth of a country. Countries that have a vibrant IT development sector have an advantage over other countries that do not, because they have direct access to the latest technologies.

Countries that foster and nurture research and development in the IT field are usually first adopters of new and emerging technologies giving them an edge. In today's digital economy, one must be able to understand and use the latest technologies like artificial intelligence, robotics, augmented reality, virtual reality, cloud technology, blockchain technology, 3D printing, integrated algorithms, and open data, in order to ensure economic growth.

In most cases, these new technologies are developed in collaboration with either other high-tech companies, research institutions and research universities and they tend to be clustered together, like Silicon Valley in the United States.

## Need

Create an environment that will attract high-tech companies, IT start-ups, IT entrepreneurs, and IT visionaries to the UAE

## Idea

His Highness (H.H.) Sheikh Mohammed Bin Rashid Al Maktoum formally announced the creation of Dubai Internet City (DIC) in 1999. DIC was born with the vision of making Dubai a hub for Information Communication Technology (ICT) innovations, the development of knowledge, and visioning for a digital future. It aims to be an ICT hub linking visions, concepts, and ideas with markets across the region.

This leadership and its success are exemplified by DIC's ability and success to attract the best and innovative businesses, establishing the emirate as one of the main drivers of technological innovations and investment in the region. This leadership enables and facilitates a futuristic vision, especially in his support to innovative technology companies that

in turn, help fuel economic growth and the development of a smart city.

## Project

In 2014 DIC launched the Innovation Hub. The hub will be a 1.8 million square feet development, located at the crossroads of DIC, Dubai Media City and the Dubai Knowledge Park. It is expected to transform and integrate these hubs into an innovation-driven platform and enabler, increasing the level and capacities of talented professionals working and operating in the emirate.

Since its inception in 1999, DIC has continued to expand its scope and attract more businesses to its premises. The following are some of the positive outcomes:

1. DIC announced the Dubai Outsource Zone (DOZ), the world's first business park for the outsourcing industry. DOZ develops an ecosystem where outsourcing companies can be easily set up and can serve global markets with cutting-edge services.
2. Since its launch, the DIC community have collectively attracted a sum of up to AED7.8 billion in funding. The DIC has been recognized as the largest technology business hub in the region.
3. The DIC community has up to 1,200 businesses, despite global economic challenges. The community remains resilient and continues to innovate and shape a knowledge-led economy.
4. The Innovation Hubs supports H.H. Sheikh Mohammed bin Rashid Al Maktoum's vision of an innovation-led economy.
5. 1.8 million square feet is set aside to create a vibrant community of innovators exploring new ideas in technology, new media, smart education, and the sciences.
6. DIC continues to evolve into a mature ecosystem that powers innovation as well as inspiring business success. The park attracts both halo brands and Fortune 500 companies as well as fostering local small and medium-sized enterprises (SME) growth and creating a favorable environment for entrepreneurs to nurture the next big

wave of ICT innovation.

7. Tech Talks offer a platform for professionals to discuss trends, challenges, and opportunities in the industry.

On 1 November 2017, with the signing of a partnership between STEP Group and DIC, the flagship STEP Conference has found its new home in DIC. Establishing it as the region's largest gathering for the technology, digital and entertainment industries.

### **STEP festival:**

STEP started in the Alserkal Avenue in 2013 with 100 attendees; the event shifted to the Dubai International Marine Club to accommodate its growing audience, which grew from 2,500 to 6,000 visitors in just three years. Such growth is a testament to the evolution of STEP, which now attracts some of the most high-profile start-ups, investors and industry speakers from across the globe.

This move means STEP 2018 will further increase capacities, bringing through the festival some of the 200+ top tier internet and technology companies, media and ad agencies. With plans to takeover DIC from 28-29th March 2018, STEP 2018 promises to be STEP Group's most substantial festival yet.

The main stages will be located alongside the DIC central lake and on the grounds of the American University of Dubai, which also signed a partnership with the STEP Group.

STEP Conference has rapidly established itself as one of the most dynamic festivals in the region convening entrepreneurs and start-ups, while providing a platform to showcase innovative technologies. DIC and STEP, share the same ethos of providing and facilitating an ecosystem that promotes companies to collaborate and thrive.

## Story

### The 20-year Journey of Dubai Internet City

What started as a vision of His Highness (H.H.) Sheikh Mohammed Bin Rashid Al Maktoum, DIC has turned into UAE's own Silicon Valley. All the major IT companies have a foothold in Dubai Internet City. This has led to greater research and development, the implementation of IT test-beds, the unleashing of Arab ingenuity, an increased employment in the IT sector, a place where ideas can be nurtured and turned into projects, increased collaboration among IT companies in DIC, and a sense of pride that UAE is able to attract and key the best IT minds in the world, by creating environment that is conducive to creativity and innovation.

When one looks at DIC at a glance, the following can be noticed :

1. Prominent global technology corporations are increasingly looking to establish their regional headquarters and invest in innovation centers at DIC, especially given its core features of creating a community of like-minded individuals, facilitators, and companies. Home to over 24,000 professionals, DIC's unique ecosystem offers a robust framework for businesses of all sizes to create and build collaborations to bring to fruition the ideas of tomorrow.
2. In line with the UAE's efforts to develop a diversified and innovation-driven economy, several prominent multinationals have set up innovation facilities at DIC to tap into its talented community and explore further opportunities in the region. This is complemented by in5 Dubai, an enabling platform for over 100 start-ups to be incubated and nurtured to their next phase of growth.
3. STEP2018 is the birthplace of some of the Middle East's most successful start-ups, like Maktoob, Souq, Anghami, and Careem, complemented by in5 center for entrepreneurs and start-ups and the development of the Innovation Hub. DIC continues to attract established and aspiring tech leaders and remains a truly unique community.
4. TECOM Group's Business Communities reinforce Dubai's position as a global hub for

business and commerce. Covering six vibrant industry sectors, it is home to 5,600 companies ranging from start-ups to multinational corporations with a total workforce of 90,000.

DIC will promote sustained, inclusive, and sustainable economic growth, as per the aim of Sustainable Development Goal (SDG) 8. It will help to increase the employment rate and diversify the economy. As well as the goal of creating sustainable cities and communities, strengthening the means of the revitalization of a global partnership for sustainable development and an effort to increase foreign direct investment.

Supporting a workforce of 15,000 professionals, the Innovation Hub will offer IT companies of all sizes (inclusive of multinational corporations, start-ups, and SMEs), world-class facilities and services, robust and adaptable state-of-the-art infrastructure and a vibrant working environment. Through several phased developments, the entire development is set to open in 2019.

From 2015 to the present, several DIC partners have attracted notable investments that propelled them onto the international stage. These include the acquisition of Middle East e-retailer Souq.com by U.S. e-commerce giant Amazon (in June 2017 for an estimated sum in the region of AED2.2 billion (US\$600 million)). Dubai-based ride-hailing app Careem entered the 'Unicorn Club' of billion-dollar start-ups in December 2016, and its last funding round the company raised over AED1.5 billion (US\$550 million) from Japanese, Chinese and Saudi investors.

DIC-based Mumzworld, an online shop for mother and child, was another firm to make waves in the e-commerce realm. The company received multi-million-dollar funding from the likes of Wamda Capital and Al Tayyar Travel Group. Another significant finding announcement involved a Chinese consortium buying over Media.net, an ad-tech start-up, for a reported AED3.285 billion (US\$900 million) in late 2016, making it the third largest acquisition deal in the history of the advertising technology industry globally.

Partners of in5, DIC's enabling platform for entrepreneurs and start-ups, have also contributed to the record investment figures. Arabic music streaming app Anghami raised more than AED 106.6 million (US\$29 million) from regional investors, leading digital health

platform Altibbi brought in funding worth AED18.4 million (US\$5 million), and e-commerce systems provider ShopGo attracted AED12 million (US\$3.2 million). Several other start-ups received undisclosed funding that ranges from AED 50,000 (US\$13,500) to six-figure sums.

DIC's integrated network of 1,600 business partners spanning across various industries such as the Internet of Things (IoT), Artificial Intelligence (A.I.), Big Data, Cyber Security, Cloud, and Robotics, has been crucial in providing a platform for the creation and evolution of ideas to the exchange of knowledge. A new crop of results-driven CEOs is leading these companies, companies in nascent stages succeeded in garnering the strongest investor interest.

Investors wanting to set up a company in the DIC Free Zone are required to deposit a share capital of AED50,000. The company must also have at least one director and need to open a bank account with a local bank. This will allow for the drafting of articles of association for the new company to be submitted to the DIC Free Zone authorities. The investor will then be required to apply for the appropriate business license.

The following documents must be submitted with the authorities:

- A business and a financial plan.
- A description of the main activity the company will undertake.
- Copies of the shareholders and directors' passports.

## Impact

Driving innovation-led growth across the region has spurred Dubai's transformation into a smart city. DIC's flourishing ecosystem has attracted global ICT heavyweights, as well as SMEs. Companies across the spectrum in DIC are investing into the mature ecosystem, enabling the technology business hub to set new benchmarks of excellence.

DIC celebrated a significant milestone as it welcomed the launch of Cisco Systems' Cisco Innovation and Experience center; it was the 10th innovation center. This latest investment of Cisco's is a 9,000 square feet innovation facility valued at more than AED 36 million, it integrates an innovation hub with a customer experience center to bring digitalization to life

for Cisco's partners and clients across 24 industry verticals, inclusive of retail, education, healthcare, transportation, oil and gas, and smart city, among others.

Multinational consultancy firms like Accenture opened a Digital Acceleration Centre in May 2016 that showcase advanced software and hardware technologies; the center equips companies with the right set of tools to become truly digital. In the same month, financial services giant Visa launched a 4,000 square feet innovation facility in DIC to serve its partners in Central and Eastern Europe, as well as the Middle East and African region. The facility's main aim is to develop cutting-edge digital commerce and payment technologies to drive a cashless economy. Earlier innovation facilities established in DIC were those from MasterCard, Microsoft, and 3M.

DIC is where innovators and entrepreneurs work, connect and share their vision for a bold new tomorrow. It is an information technology park created by the government of Dubai as a free economic zone and a strategic base for companies targeting regional emerging markets. The economic rules of DIC allowed companies to enjoy several ownership, taxation, and customs related benefits, which are guaranteed by law for 50 years. One model of operation includes 100% foreign ownership, similar to those prevailing in other designated economic zones in the UAE. These freedoms have led many global information technology firms, such as Facebook, LinkedIn, Google, Dell, Intel, Huawei, Samsung, SAP, Microsoft, IBM, Oracle Corporation, Tata Consultancy, 3M, Sun Microsystems, Cisco, H.P., Nokia, Cognizant and Accenture, and UAE based companies like Dumont, to move their regional base to the DIC.

The community of entrepreneurs, start-ups, facilitators, and Fortune 500 companies are busy creating the future of regional ICT, disrupting the status quo, and gearing up to take full advantage of the 4<sup>th</sup> Industrial Revolution.

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