



STARTUP PANORAMA

EDITION 12

TRADE AND STARTUPS IN DUBAI

ECOSYSTEM AND OPPORTUNITIES

MARKET OPPORTUNITY

2019¹
AED 1.37 TRILLION

Dubai's non-oil foreign trade before the global COVID-19 pandemic

2020²
AED 1.182 TRILLION

Dubai's non-oil foreign trade despite an intensified global economic downturn

2025³
AED 2 TRILLION

Dubai's future non-oil foreign trade target

DUBAI'S LARGEST TRADING PARTNERS IN 2020⁴



TOP VALUE COMMODITIES IN 2020⁵



DUBAI'S TRADE IN 2020⁶



ECOSYSTEM SUPPORT FOR TRADE

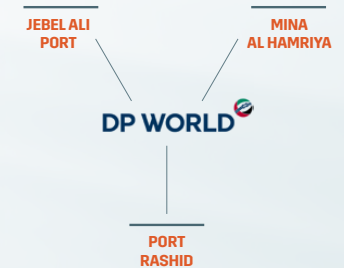


2020⁷
46% The number of SMEs in Dubai that engaged in export of goods or cross-border supply of services

LICENSING PROVIDERS *



PORTS IN DUBAI



1,2,3,4 5,6 <https://www.dubaicustoms.gov.ae/en/tradestatistics/Pages/default.aspx>
7 <https://ittec.ae/wp-content/uploads/2021/02/Report-2021.pdf>

* Dubai Economy provides mainland licensing, the other mentioned entities are free trade zone authorities

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THE REBOUND OF GLOBAL TRADE

DUBAI CHAMBER OF COMMERCE AND INDUSTRY

Dubai's trade sector achieved double-digit growth in the first quarter of 2021, bouncing back even stronger than it was pre-COVID-19.

The 10 percent rise in non-oil foreign trade during the January - March period this year is nearly double the five percent gain over the same time period in 2019, before the pandemic hit.

But Atiq Juma Nasib, SVP of Commercial Services at Dubai Chamber of Commerce and Industry, says he sees the rapid recovery as only the start of a more ambitious move to grow the emirate's existing trade exchange from some Dh1.37 trillion to Dh2 trillion in the next five years.

"Despite the fact that the ongoing pandemic has created several challenges such as travel restrictions and supply chain disruptions, Dubai has taken bold steps to minimize the impact and strengthen its position as a global trade and create new business opportunities," Nasib said.

Dubai's World Logistics Passport (WLP), in particular, a major policy initiative established to increase trading opportunities between emerging markets, is already having a major impact and proving to be a game-changing move to drive Dubai's foreign trade, he added.

The program was launched at the 2020 World Economic Forum in Davos, under the directives of Sheikh Mohammed Bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai.

The global, private sector-led initiative – of which the Dubai Chamber is a strategic partner – allows traders and freight

forwarders to access benefits in return for increased trade in each of the program's hubs.

"As many as 11 countries have joined the Dubai-led initiative so far and the initiative is creating new trade opportunities for companies across Africa, Asia, Central and South America to enhance existing trading routes and build cross-border partnerships," Nasib said.

"Dubai Chamber's international offices play a crucial role in building cross-border partnerships and facilitating Dubai's trade flows with emerging markets across the world. [Our] offices gather valuable market intelligence and identify business opportunities that offer the most potential for our members and the wider business community in Dubai." Meanwhile, changes to the UAE company law allowing foreigners 100% ownership of mainland businesses in Dubai – are expected to further support the growth of trade and boost business activity in the country, Nasib said. The move complements other recent proactive policy measures to improve ease-of-doing business in the emirate, such as the introduction of long-term residency visas and the granting of UAE citizenship to select foreigners.

At the same time, as the emirate transitions into a knowledge-based digital economy, the opportunities for startups are also growing.

"Startups in the UAE have been very proactive in responding to COVID-19 by bringing cutting-edge solutions to the market in the areas of digital transformation, AI, [and] blockchain,



among others, that address new challenges and advance the country's digital economy," he said.

"Dubai Startup Hub, the entrepreneurship arm of Dubai Chamber, and the Chamber's representative offices across Africa, Eurasia and Latin America, are seeing overwhelming interest from international startups that are keen to enter the Dubai market and leverage the emirate as a strategic trade hub to expand their global reach. The emirate's strategic location provides exporters with access to around 2 billion consumers in surrounding markets, world-class infrastructure, advanced logistics facilities, investor-friendly regulatory environment and more than 30 attractive free zones."

More than 50 percent of applications for Dubai Startup Hub core programs in 2020 came from outside of the UAE, Nasib said, signalling increasing interest in Dubai as an attractive market for global startups.

As the trade sector finds itself in midst of transformative change, he added, technology, changing consumer behaviors, the drive to combat climate change and geopolitics, will be key contributors in reshaping international trade for the future.

CREATING DIGITAL TRADE CORRIDORS

DUBUY.COM

What if an e-commerce platform could also provide end-to-end logistics for goods bought or sold?

Dubai's DP World, a global giant in managing ports and logistics supply chains, has audaciously taken on the e-commerce world with the launch of its online marketplace DUBUY.com, built to accelerate global trade.

DUBUY.com empowers SMEs and entrepreneurs in finding and doing business with local partners in Africa.

The marketplace offers vendors a one-stop-shop, ensuring all transactions on the site are secure, integrating leading payment service providers, complete e-commerce fulfilment support, and inland port investment designed to improve global and regional supply chain efficiency.

"DP World's logistical expertise is second to none," said Mahmood Al Bastaki, Chief Operating Officer and Director at DT World, a subsidiary of DP World. "It regularly handles millions of tonnes of cargo around the world. DUBUY.com is expanding this expertise, to overcome some of the obstacles to doing business in Africa and the developing world. Think of it as a facilitator of global trade."

The platform made its debut in April 2021, with Rwanda as its first African market and with plans to expand across the continent and around the world. The marketplace strategically leveraged DP World's Kigali Logistics Platform, which serves as a gateway to the heart of

Africa, connecting Rwanda to neighbouring countries including Democratic Republic of Congo, Burundi, Uganda, Tanzania and Kenya.

"DUBUY.com is a natural next step for DP World, creating digital trade corridors, alongside the physical trade corridors DP World is building," Al Bastaki said.

"Opening up the world to Africa is one of world trade's most important growth opportunities. Our ambition is to first develop a pan-African and then eventually a global B2B e-commerce site aimed at increasing international and domestic trade for the markets we operate in, leveraging DP World's unparalleled reach in South-South trade."

A McKinsey survey of key African economies during the pandemic found that more than 30 percent of businesses were increasing the use of online and mobile banking tools.

Africa presents vast opportunities in e-commerce, with the market estimated to double in size to US\$75 billion by 2025 according to McKinsey.

More than 100 vendors have already signed up to sell on DUBUY.com with tens of thousands of different products since the platform's launch this year.

Al Bastaki added that DUBUY.com does not require any upfront costs or investment from businesses, and therefore carries minimal risk.



"Some vendors have said their biggest challenge has been getting into the international market, and that DUBUY.com has the potential to address this effectively," he said.

"DUBUY.com will help them move their business online and reach new markets and customers where previously they have wanted to but didn't know where to start, from both a technical and marketing point of view."



NEW BUSINESS FOR A NEW WORLD

SHIPSKART

Over the past year, less in-person meetings have made way for more clients for Dhruv Sawhney. The co-founder and CEO of New Delhi-headquartered supply chain e-commerce startup Shippkart says COVID-induced digitization has changed the way the trade sector traditionally did business – and for the better. Shippkart, which wants to be “the Amazon” for the maritime and offshore industry, is a marketplace that enables vessels, vessel owners and managers, ports and shipyards to purchase marine products, consumables, equipment and service products required for uninterrupted and efficient operations. The startup, founded in 2018 with a tagline that reads ‘Clicked at Sea. Delivered at Shore’, claimed first place at a Dubai pitch competition during the Dubai Startup Hub roadshow to India in 2019, in cooperation with Dubai Technology Entrepreneur Campus (Dtec). “Maritime companies were quite hesitant about online meetings and were more keen on in-person meetings, which, of course, has changed now and due to that we have been able to reach out to more clients [online],” Sawhney said. “COVID-19 has played a big role in the change in mindset.” In fact, even with borders closed during outbreak peaks, Shippkart has remotely continued its presence in the UAE, Sawhney said. “We were given an opportunity to establish ourselves in the UAE market at the very initial stage of our existence

and the visibility we got from the Dubai Chamber of Commerce helped us navigate this market,” the founder said.

“We are extremely fortunate that we are part of the maritime industry wherein ships operate 24x7 in order to keep the global supply chain moving and therefore there was very little impact of the pandemic on Shippkart. Sawhney added that Shippkart, which currently has offices in the Netherlands, Singapore and Bangladesh, has plans to set up warehouse facilities in Dubai when the pandemic subsides.

Shippkart previously raised \$2,25,000 in its Pre-Series A funding round, led by Asia-Pacific VC firm and startup accelerator Betatron. Shippkart was also named one of the most innovative startups in 2018 by Netherlands-based global maritime accelerator PortXL (partners of Port of Rotterdam, Ernst & Young, Shell).

“We are currently fundraising and should be able to close our next round in the latter half of 2021,” he said. “Post funding, we plan to open an aggregator centre in Dubai and grow our sales team to target the international as well as the domestic maritime companies in the UAE.”

He added: “The UAE is the maritime capital of the Middle East and one of the world’s top maritime capitals, and an extremely big market for us. It is also the major hub for startups in the region [and] with so many accelerator programs, it has become the go-to-place for a startup like ours.”

INSTILLING TRANSPARENCY AND RELIABILITY IN DIGITAL TRADE

MONIMOVE

Before the COVID-19 outbreak when Hashim Al Hussaini would show potential clients a demo of MoniMove, he often heard the same response: “We like your solution, but it is too advanced; we are still far away from this [way of doing things].”

MoniMove is a fintech platform that offers end-to-end transparency throughout the supply chain, trade finance and credit utilization process to mitigate operational risk, eliminate cash usage and letters of credit, reduce disputes, and enhance trust among all stakeholders. The platform is blockchain enabled to secure transactions, and facilitates paperless and cashless interactions for the entire ecosystem. Founded in 2019, MoniMove was derived from the need to “monitor the movement of money” across the supply chain, trade finance and credit utilization process.

Hidden operational risk is a global problem in the entire lending cycle. But the challenge became more difficult after the pandemic struck due to physical distancing needs, new economic realities and other complex technology hurdles. “As authentic solution providers, [COVID-19] gave us the leverage to show the value that MoniMove can bring to their organizations and increase their appetite to collaborate with us because our solution is no longer just a nice-to-have, it is now a need,” Al Hussaini, MoniMove founder and Crediti Fintech CEO, said.

MoniMove currently has offices in Dubai, London and New York, and country partners in Saudi Arabia. DIFC-based Crediti

Fintech is the exclusive reseller of MoniMove platform in the UAE, which in February 2021 sold a majority 55% stake to Royal Strategic Partners, an affiliate of the private institutional investment house Abu Dhabi Capital Group and Global Links Holding.

The platform primarily serves governments, banks, crowdfunding systems that want to increase their business portfolios, construction and real estate firms and the corporate sector especially with SMEs.

With bad debt caused by operational risk, these industries often increase the loan requirements and collateral, which in turn reduces the number of illegible borrowers.

“All the international trading documentation that takes place between importers and exporters through banks today is manual and fragmented,” Al Hussaini said.

“[And] a lot of importers and exporters are dealing on open account [trade terms] either because they do not have the liquidity, or they are not getting the required support from banks. MoniMove automates the complete utilization process in a credible methodology and all payments are made directly via banks. This protects fund owners from operational risk and also protects suppliers from payment delays, reassuring all parties that projects will follow the planned governance and timescales.”

In April 2021, MoniMove partnered with Emirates NBD, a leading banking group in the MENAT (Middle East, North Africa and Turkey) region, to complement the bank’s E20. digital



business bank initiative that aims to empower entrepreneurs, startups and SMEs in the UAE.

By integrating with E20., users transacting on the MoniMove platform achieve a high level of transparency and credibility, providing the bank with visibility on their end-to-end transactions and interactions with suppliers.

“Ultimately, our objective is to instil transparency and reliability in digital trade,” Al Hussaini said, adding that the platform is aligned with His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai, mandate to digitize life in Dubai.

“We are committed to the leadership’s shared vision for digitization and to improve the way business is done, supporting local SMEs and growing the national economy.”