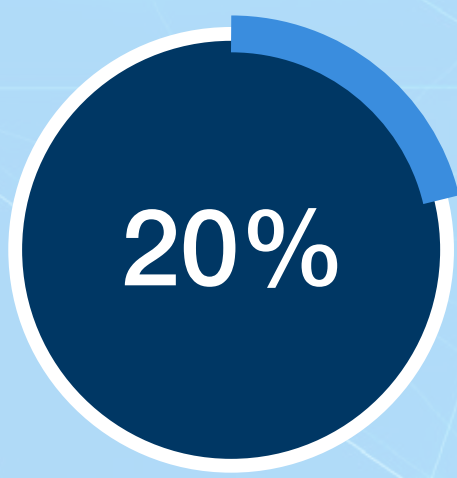


# SCALING

## From Dubai

SUCCESS RATES  
AND THE AVAILABLE ENVIRONMENT



20% of startups advance to the scaling-up phase.

• Out of these 20%,



**1 in 4**

achieves this milestone.

This insights report benchmarks the ability of digital startups to successfully scale up from Dubai compared to the broader MENA region.

By tracking conversion rates across funding milestones, the analysis establishes that Dubai provides a comparatively favorable environment for scaleups in MENA.

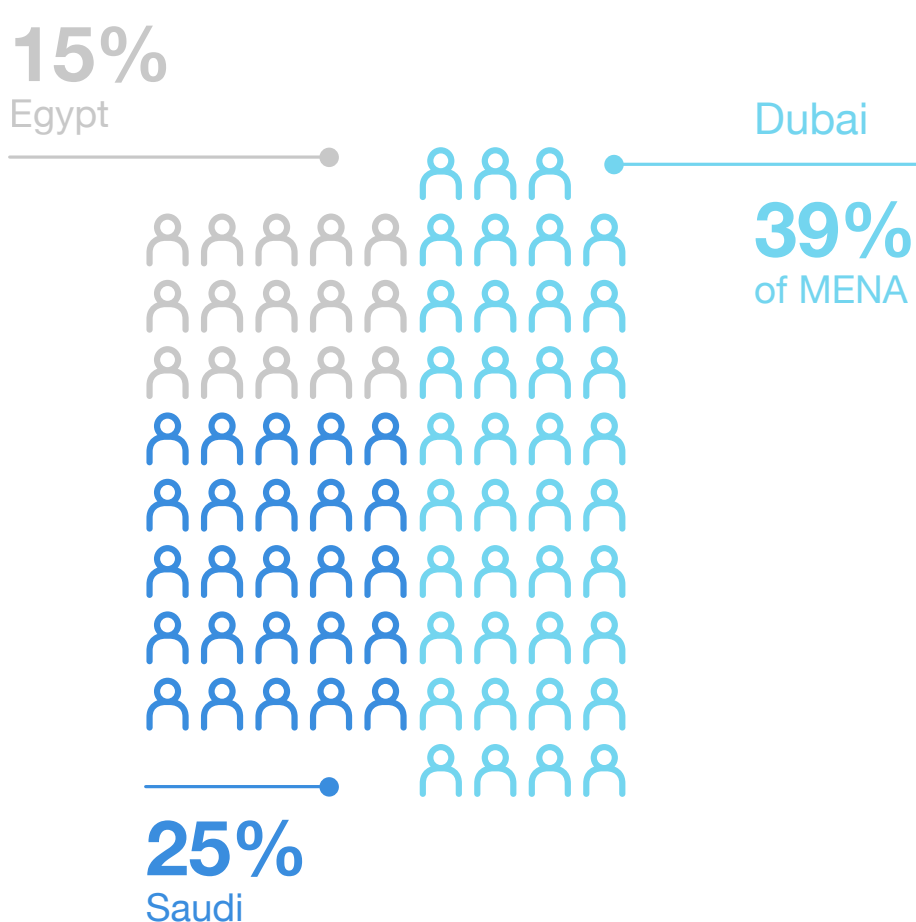
20% of Dubai startups raise Series A, remaining consistent over 5 years, and 25% of those raise Series B, the highest rates in

MENA. Dubai's large scaleup population indicates relatively-standardized scaling paths driven by market forces rather than selective intervention.

While countries aim to re-domicile regional scaleups from MENA, Dubai continues to lead in its success rate.

The report concludes Dubai's startup ecosystem is the most developed in MENA in enabling scaling.

## DUBAI HAS THE LARGEST POPULATION OF SCALEUPS IN MENA



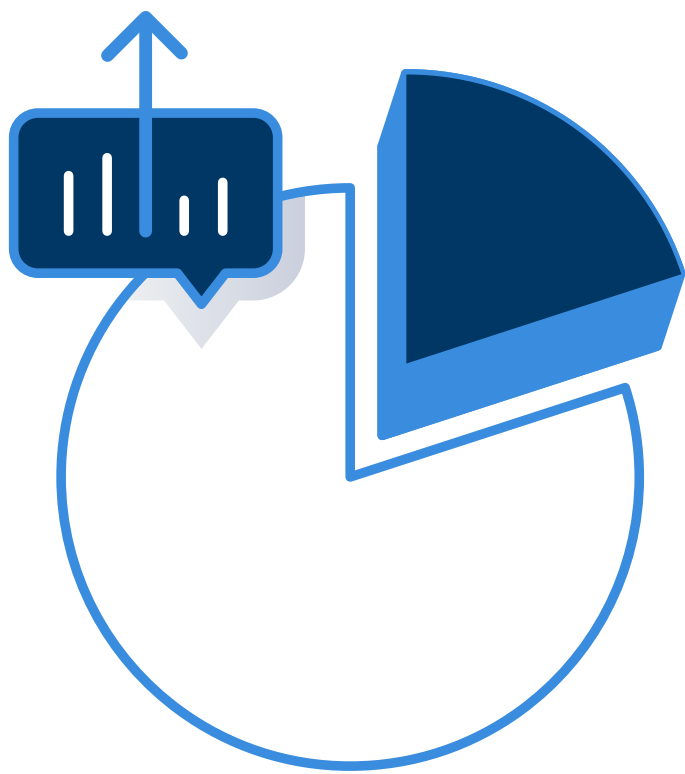
**Dubai accounts for 39% of MENA's scaleups, roughly the size of the second and third largest bases in MENA combined**

Unlike markets that rely heavily on case-by-case interventions, Dubai demonstrates the effectiveness of standardized growth paths guided by market dynamics within its tech ecosystem.

Of the 1,900 active tech startups, around 300 are at the seed stage, and 100 scaleups have achieved Series A funding or beyond.

Dubai not only boasts the largest population of scaleups but also the highest scaling-up success rate in the MENA region.

# DUBAI STARTUPS SUCCESS RATE



## 1 in Every 5 Startups Based in Dubai Makes It To Scaleup Stage

20% of Dubai's startups demonstrate strong performance and scalability, convincing mature investors to fund their **Series A** round.

This strong progression rate reflects the city's supportive environment for new ventures.

**A**

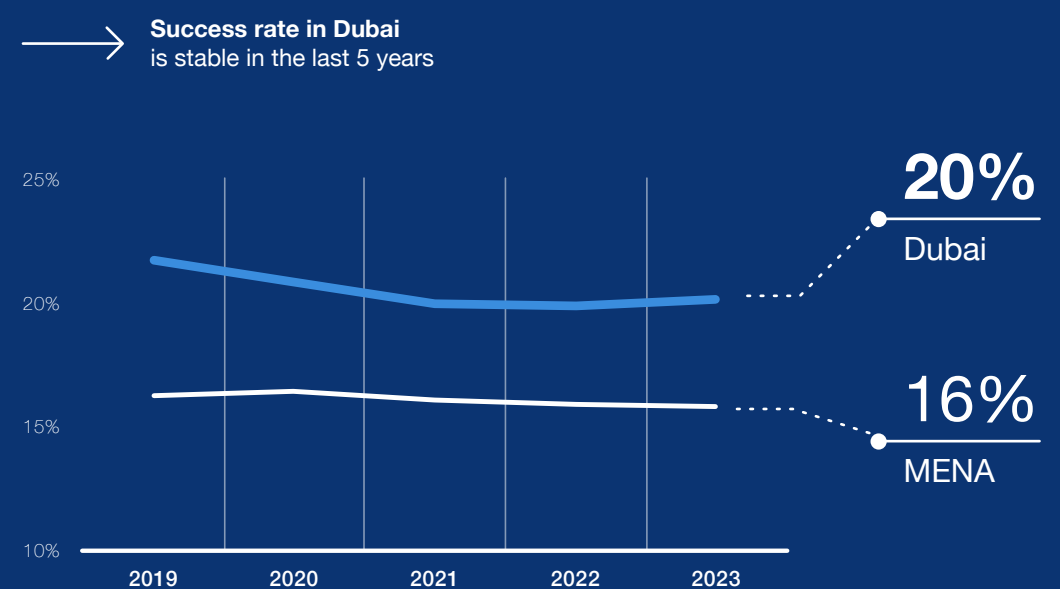
Series A funding is traditionally raised by startups to scale operations

## Stable Success Rate Means Reliable Environment To Scale

Over the past five years, the success rate of seed-stage startups in Dubai that raised Series A funding has remained consistently stable at 20%.

Dubai's consistent success rate is a strong testament to the reliability of the city's effectiveness in producing scaleups.

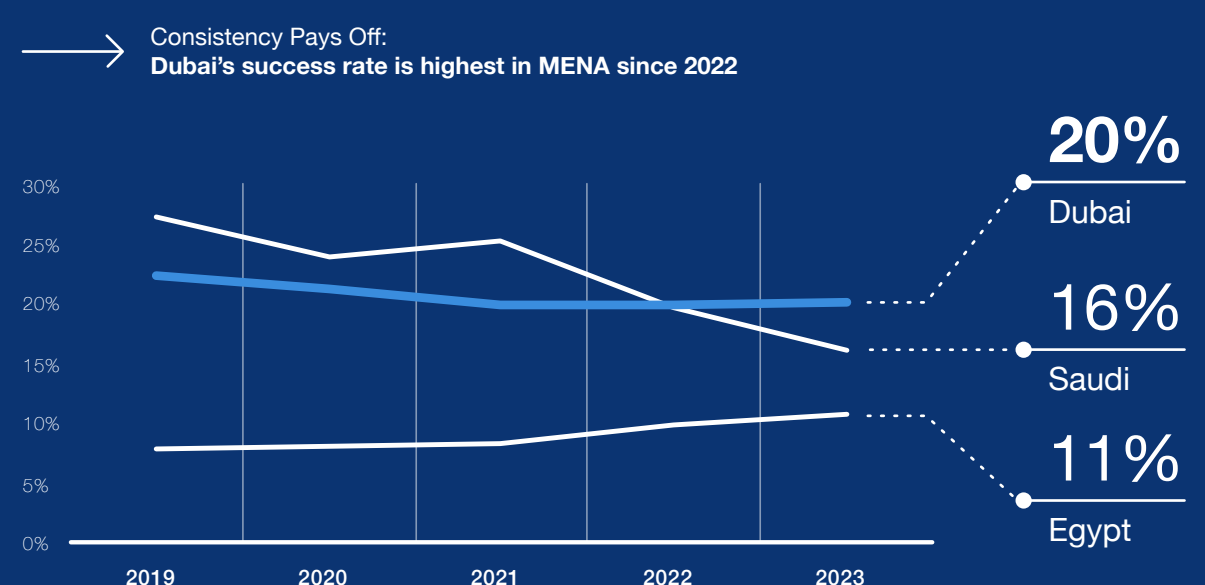
Reliability means higher predictability in the outcome for startups who plan on scaling and choose Dubai to be their home.



## The Highest Success Rate in MENA

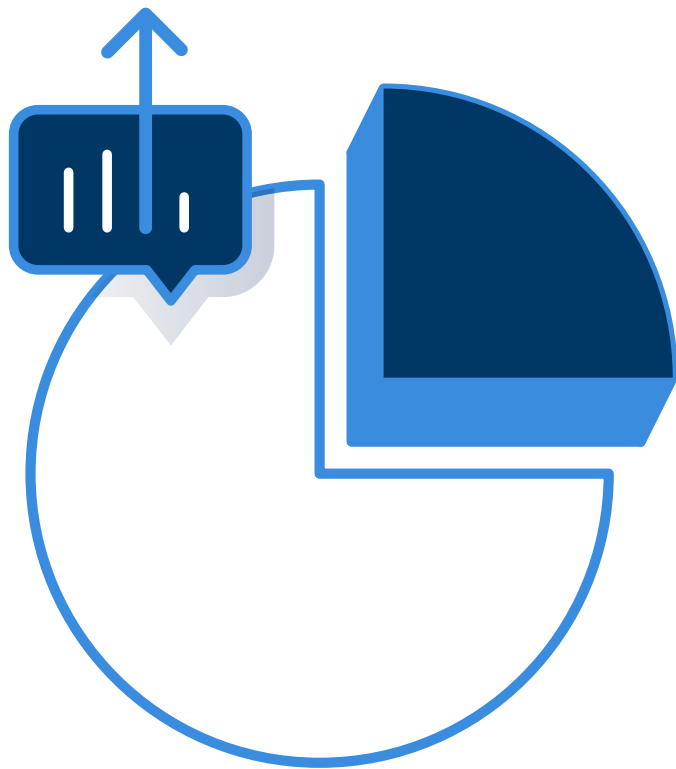
Dubai's resilient economic environment is unaffected by temporary market trends and shifts.

The stability and reliability of Dubai's startup ecosystem set a benchmark for MENA, offering a sustainable model for other regions to emulate and build upon to achieve similar success.





# THE FATE OF STARTUPS WHO SCALE UP IN DUBAI



## 1 of Every 4 Startups Who Scale From Dubai Successfully Finish Scaling

25% of startups scale up the size of their business activity effectively enough to convince mature investors to fund their **series B** round.

**B**

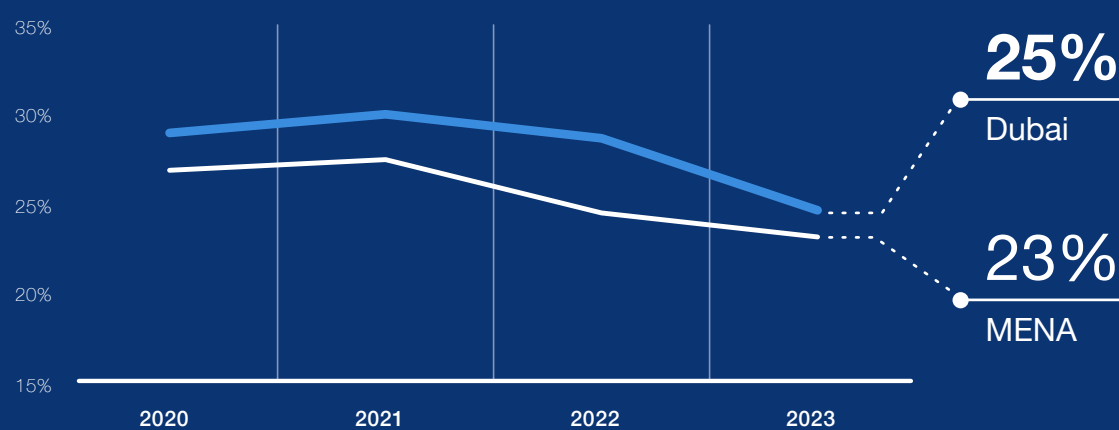
**Series B** funding is traditionally raised by startups who succeed at scaling their operations and now look towards expansion and profit maximization

## Dubai Pulls MENA Higher

Over the past 14 years, Dubai has been the heart of the MENA startup ecosystem.

This long-standing role has enabled Dubai to develop the most experienced and mature market forces in the region for scaleup creation.

With its higher number of successful scaling up cases, Dubai practically sets the standard success rate in MENA



This report is prepared in collaboration with



Clearworld is the leading expertise house on tech innovation, tech investment and policymaking in MENA.

### METHODOLOGY AND DEFINITIONS

**Startup Digital SME** that does not have production bottlenecks that would prevent it from potential scaling up, such that it is not a tech boutique/IT development company, marketing agency or similarly non-product/non-tech-centered company.

### Scaleup In a window of 3 years

- (a) a scaleup is a firm with 10 employees or more that grow in employment or in turnover
- (b) by at least 10% per year
- (c) over 3 consecutive years on average

(OECD, 2021)

### HOW IT IS CAPTURED

Through **Clearworld Model** run on a dataset of MENA companies self-reporting as "startup" founded since 2008, size N=17564; 95% CI margin of error  $\pm 1\%$ ; classifier model performance: precision 93%, specificity 91%, FPR 8%



Clearworld Model



MENA Companies



Self-reporting (startup) founded since 2008

(Rabbie 2024)