

Emirati entrepreneurs explore new SME Investments

Loan applications received by The Fund so far have been particularly targeted at IT projects

PUBLISHED: 16:49 MAY 31, 2015
WAM

GULF NEWS 

SHARE |       1

Dubai: UAE entrepreneurs are exploring investment opportunities across new small- and medium-sized enterprise (SME) industries such as information technology, retail and health care, according to the Mohammed bin Rashid Fund for SME Support, also known as The Fund, which was launched earlier this year.

Loan applications received by The Fund so far have been particularly targeted at IT projects (19 per cent of the total number), followed by retail (14 per cent), services, food and beverage, and health-care and industrial projects (12 per cent each).

Surprisingly, sectors that have traditionally been 'popular', namely trading and construction projects, did not fare well in the latest statistical charts, with only 5 per cent of the applications aimed at the trading sector and 2 per cent aimed at construction.

"The breakdown of applications into the various economic sectors is pretty much in-line with our objective of nurturing a sense of innovation and creativity among Emirati entrepreneurs, with sectors like IT and health care leading the way," said Saeed Matar Al Marri, Director of The Fund.

"We certainly want to see more education projects, which compose only 2 per cent of total applications at the moment, but as more and more applications are received, we look forward to seeing innovative project ideas that will contribute to the strategic goals of Dubai and the UAE," explained Al Marri.

In the past four months, more than 70 loan applications have been registered by the Mohammed bin Rashid Fund for SME Support. This exceeds the initial target by about 60 per cent and indicates that The Fund's proposition is very attractive and the trend towards entrepreneurship continues to be very promising.

Aimed at maximising financing solutions for innovative businesses and developing Emirati entrepreneurs, The Fund's assets top Dh600 million and offer Emirati nationals between 21 and 65 years of age two types of loans: the Seed Capital Loan — offered directly by The Fund to start-ups requiring funding of more than Dh50,000, but not exceeding Dh500,000 — and the Credit Scheme Loan, offered through banking partners and guaranteed by The Fund, to both start-ups and existing businesses which require funding of more than Dh500,000, but not exceeding Dh5 million.