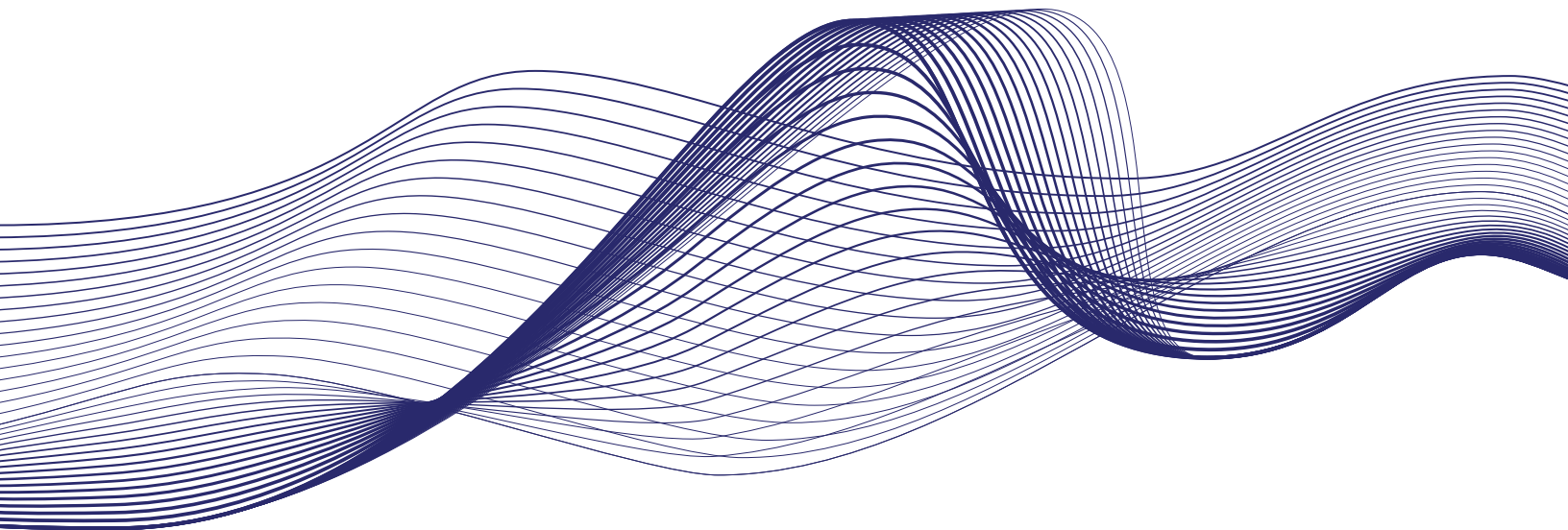


Fostering Digital
Equity and Inclusion

SMALL BUSINESS IN THE DIGITAL AGE

Dubai MSMEs: Digital and resilient

The global pandemic and resulting economic crisis have hit micro, small, and medium enterprises (MSMEs) hardest, with the smallest of firms often struggling the most. This paper explores the results of a survey of businesses in Dubai and finds that digital capabilities—in terms of digital payments, access to marketplaces, and cross-border reach—are key to small business recovery and resilience, and policymakers should focus their efforts in these areas.



Synopsis

This paper seeks to describe, and provide guidance on, policy and practice relating to digital enablement, access to marketplaces, cybersecurity, and cross-border reach for micro, small, and medium enterprises (MSMEs) operating in Dubai. The objective is to further promote and empower MSMEs, which are a key pillar in Dubai's economy.

The global pandemic and resulting economic crisis have hit MSMEs hardest, with the smallest of firms often struggling the most. This paper explores the results of a survey of businesses in Dubai and finds that digital capabilities—in terms of digital payments acceptance, access to online marketplaces, and cross-border reach—are key to small business recovery and resilience. Firms have rapidly adopted new payment capabilities, while transitioning away from some non-digital capabilities. They have also expanded their use of social networks, messaging apps, and online marketplaces across firm size categories. The use of these marketplaces has doubled in many cases from pre-pandemic levels. Asked what they need to survive the next three to six months, the overwhelming majority of MSMEs said they needed their customers to come back; this answer was followed by expressing needs for diversifying their products and services, exporting to new markets, and digitizing their sales channels. The most acute digital needs of micro firms were digitizing sales and better internet connections, whereas small firms reported needing digital sales and payment capabilities.



Fostering Digital
Equity and Inclusion

Dubai MSMEs: Digital and resilient



Visa Economic Empowerment Institute





Acknowledgments

This paper was authored by VEEI's Chad Harper and Barbara Kotschwar; for their strong partnership and assistance, we thank Essam Omran Saleh Disi and Saeed Matar Mohammed Al Marri from Dubai SME (the Mohammed Bin Rashid Establishment for Small and Medium Enterprises Development), Jose Felix from Hi Dubai, and Mohd Ali Rashed Lootah, Dr Raed Safadi, and Samuel James Dulka from the Dubai Department of Economy and Tourism. Visa contributors to the study included Anne Craib, Tania Garcia-Millan, Raed Hergli, Sakina Lavingia, Sandra Lee, Liam MacDermott, and Salvador Perez-Galindo, as well as Kati Suominen and her team at Nexttrade. For their helpful comments and editorial contributions, we also gratefully thank Jen Swetozoff for editorial assistance and the design team from 451.

About the Visa Economic Empowerment Institute

The VEEI is a non-partisan center of excellence for research and public-private dialogue established by Visa.

The VEEI's overarching mission is to promote public policies that empower individuals, small businesses, and economies. It produces research and insights that inform long-term policy within the global payments ecosystem. Visa established the VEEI as the next step in its ongoing work to remove barriers to economic empowerment and to create more inclusive, equitable economic opportunities for everyone, everywhere.

Visit: visaeconomicempowermentinstitute.org

Index

Executive summary	7
Introduction	12
Context setting: A look at the UAE	13
Dubai’s digital journey—and the COVID-19 pandemic	18
Key findings from the VEEI survey of Dubai’s micro, small, and medium enterprises	20
Recommendations for MSME empowerment	32
Sources	35
Annex 1: Survey methodology detail	38
Annex 2. Text descriptions of figures	39

Executive summary

The global pandemic and resulting economic crisis have hit micro, small, and medium enterprises (MSMEs) hardest, with the smallest of firms bearing the brunt of the economic damage. Some of this is because many small businesses operate in the sectors that were most affected by COVID-19 containment measures, such as tourism, hospitality, transportation, and retail. But technological infrastructure can play a role in mitigating some of the pandemic's effects. Recent research conducted around the world has found that firms headquartered in countries with good digital infrastructure performed better than firms elsewhere during the worst of the crisis, and this mitigating effect was especially pronounced for smaller firms (Doerr et al., 2021).

These circumstances make Dubai an interesting case study. Dubai has excellent technical infrastructure, as evidenced by its nearly universal broadband deployment and very high smartphone possession. Also, the industries that were globally hardest hit during the pandemic are very important to the emirate and its businesses. This paper explores how small businesses weathered the crisis.

In the summer of 2021—nearly 18 months after the beginning of the pandemic—the Visa Economic Empowerment Institute (VEEI), working in partnership with the Dubai Department of Economy and Tourism (formerly Dubai Department of Economic Development) and Dubai SME, surveyed more than 900 firms (90 percent of them MSMEs) in the emirate to learn more about the effects of the pandemic on their businesses and their recovery plans.

The stock-taking survey revealed the following:

- **A majority of MSMEs in Dubai expected to grow in 2021.** Forty-three percent of the surveyed firms had positive revenue growth in 2020, and 62 percent expected positive revenue growth in 2021. Larger firms did better in 2020 than smaller firms. Not surprisingly, firms that experienced the fastest revenue growth in 2020 also expected to fare much better in 2021 than firms that experienced little or negative growth in revenue in 2020.
- **The biggest COVID-19 effects were on sales and employment.** For most firms, domestic and international sales and purchases, customer bases, and employment were among the largest segments affected by COVID-19. About 50 percent of micro firms and one-third of small firms experienced “significant” declines in their international sales, purchases, and customer bases, while just around 20 percent of medium firms had significant declines in these areas.
- **MSMEs adopted new payment capabilities during the pandemic—and transitioned away from some familiar ones.** Accelerating existing trends, the past 18 months saw a continued shift away from payments by cash and cheques and toward digital methods. The majority of firms in all size categories still accept cash, but mobile payments, QR codes, established non-card e-commerce payment providers, and newer entrants in the payment space kept gaining users, especially in comparison with pre-pandemic levels. In a striking development, more medium firms reported accepting mobile payments than cash in domestic transactions.
- **MSMEs expanded their use of social networks, messaging apps, and online marketplaces.** MSMEs increased their digital activity across size categories. The use of these online marketplaces doubled in many cases from their pre-pandemic levels.

- **The main priorities MSMEs identified in continuing their recovery were getting customers back, followed by diversifying their products and services, exporting to new markets, and digitizing their sales channels.** Firms that sell online placed loans and grants in the bottom half of their strong needs. Not surprisingly, digital sellers included cybersecurity among their top needs.
- **Looking ahead, firms plan to prioritize improving their digital capabilities.** Firms in every size category indicated they will prioritize expanding their digital marketing capabilities, growing their online sales, and amplifying their use of digital payments. About a quarter to a third of firms, depending on the firm size category, have set out to telework before or during COVID-19, and almost another third of firms reported that they are looking to pursue teleworking soon.

Using the results of the VEEI survey of MSMEs in Dubai, and with public-sector and private-sector collaboration in mind, we make the following recommendations for further empowering Dubai small businesses.

1. **Emphasize digital enablement assistance for MSMEs.** Although digital infrastructure is robust in Dubai, the adoption of digital capabilities by small businesses is still a work in progress. Many Dubai MSMEs expressed an interest in improving their digital capabilities. As is seen across the globe, newer firms and firms led by men tend to be more digital than older firms and women-led firms, so helping established and women-led firms would also be an appropriate area to focus on.
2. **Keep consumers in mind when driving digital ubiquity.** Payments need to support the experiences, decisions, and expectations of consumers for any transaction. Contactless payment capabilities originated in the card networks, and during the COVID-19 crisis, these touchless payments have become the norm in consumer payment behavior due to their convenience, security, and low fraud rates. Their adoption has been especially high in the United Arab Emirates (UAE), with contactless rates above 80 percent of all in-person Visa transactions for small businesses.
3. **Prioritize cybersecurity capabilities for small businesses.** As the digital payments landscape continues to evolve in response to changing business and consumer priorities, fraudsters are increasingly engaged in finding new avenues to exploit. Many MSMEs in the survey said they were interested in enhancing their cybersecurity capabilities, and they also welcomed more public-sector assistance for doing so. Medium firms were more likely to identify this as a need; micro and small firms may be unaware of the increasing importance of cybersecurity.

4. **Help small businesses connect to marketplaces and use e-commerce capabilities to export.**

Many small businesses in Dubai are taking advantage of the multiplier-market effects of digital trade. Keeping markets open for the cross-border movement of goods, services, and data that is necessary to their success is an essential part of a pro-small business environment. Interoperability, especially regulatory interoperability, is key to allowing effective digital business to take place across borders. MSMEs want more assistance with regard to online marketplaces, and policymakers could collaborate with the private sector in connecting small businesses to world markets via marketplaces, as well as to their local communities via “shop local” type platforms. In light of the adoption of digital payments and marketplaces among many Dubai MSMEs in the past two years, there is a timely opportunity to enable small businesses to translate their e-commerce capabilities into export opportunities—something firms themselves now prioritize in their planning.

Introduction

The COVID-19 pandemic has had a severe impact on economic activity worldwide, and its long-term effects are still unfolding. In the short term, at least, it is clear that the measures that were taken to mitigate the effects of the pandemic have been hardest on micro, small, and medium enterprises (MSMEs). In part, that is because many MSMEs operate in the sectors that were most affected by containment measures: tourism, hospitality, transportation, and retail. In addition, because of their size, MSMEs are simply more vulnerable and less resilient than large organizations. As is the case all over the world, many MSMEs in Dubai have struggled during the pandemic, and they have been the focus of Dubai's government support policies.

This paper begins by providing context on the economic and business environment in the United Arab Emirates (UAE), using a combination of publicly available data and Visa transactional data. We also examine the rise of digital capabilities in the country, as well as local business and consumer expectations. We then turn our focus to Dubai more specifically, highlighting the government's response to the crisis and the specific measures that were implemented in the country to help small businesses digitize.

In order to understand how small businesses have responded to the crisis and what they need to survive the various challenges presented by it, the Visa Economic Empowerment Institute (VEEI) surveyed more than 900 firms in Dubai in August 2021, nearly a year and a half after the onset of the pandemic. The results of that survey are the main topic of this paper and drive its recommendations.

In fielding the survey in Dubai, the VEEI set out to answer these questions:

- How were small businesses affected by the pandemic, and what digital adaptations helped some of them better weather the crisis?
- How did the pandemic accelerate certain digital commerce trends?
- What assistance did businesses receive from the public sector, and what were the businesses' assessments of how useful that assistance was?
- What types of further assistance do MSMEs need?
- How are MSMEs planning to meet the ongoing challenges of the crisis, and how will they explore further areas for digitization?

The paper concludes with some suggestions for how the public and private sectors can collaborate to help MSMEs weather this crisis and become more resilient to future shocks in an increasingly digital and connected era.

Context setting: A look at the UAE

Although our recent survey focused on understanding the experiences of small businesses in Dubai, it is important to understand the broader national trends as well. With that in mind, in this section, we look at what is happening across the UAE, in terms of enabling infrastructure for commerce in the digital age, retail and e-commerce trends, and the rise of contactless transactions.

The scale of MSMEs in the UAE

As of mid-2020, there were 350,000 small and medium enterprises in the UAE. They represented more than 94 percent of all companies operating in the country, with 73 percent in the wholesale and retail sector, 16 percent in the services sector, and 11 percent in the industry sector. Together, they employ more than 86 percent of the labor force in the private sector and account for more than 60 percent of the GDP (United Arab Emirates Government Portal, 2021). The table below shows how the UAE classifies micro, small, and medium firms by number of employees and by turnover in Emirati dirhams (AED).

Dubai MSME classifications by sector

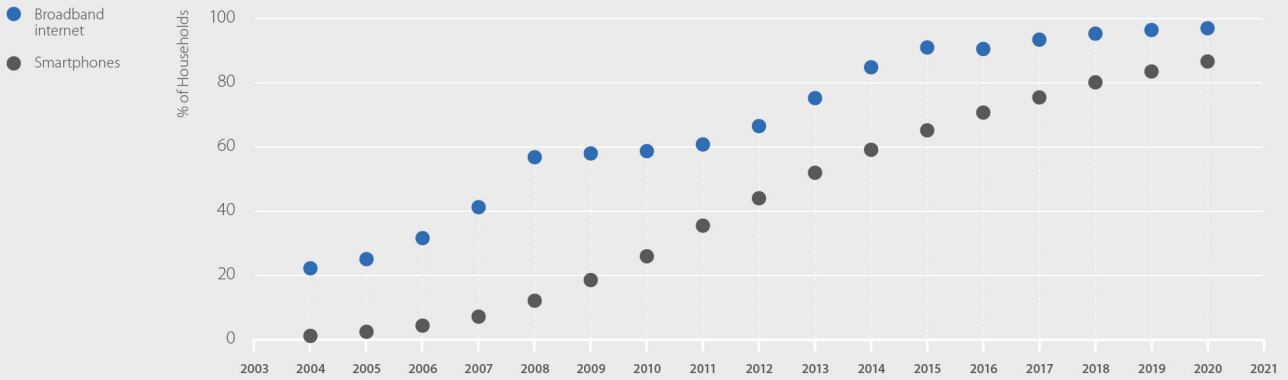
	TRADING INDUSTRY		MANUFACTURING INDUSTRY		SERVICES INDUSTRY	
	EMPLOYEES	TURNOVER (AED)	EMPLOYEES	TURNOVER (AED)	EMPLOYEES	TURNOVER (AED)
Micro	≤5	≤3,000,000	≤9	≤3,000,000	≤5	≤2,000,000
Small	6–50	≤50,000,000	10–100	≤50,000,000	6–50	≤20,000,000
Medium	51–200	≤250,000,000	101–250	≤250,000,000	51–200	≤200,000,000

Source: UAE government portal on small and medium enterprises

Enabling infrastructure for commerce in the digital age

Over the past 16 years, across the UAE, there has been a significant rise in people’s access to broadband internet and their use of smartphones. In 2004, just 21.5 percent of households had broadband access, and only half of households had a smartphone. As can be seen in the next figure, 2007 marked the beginning of a digital access boom. By 2020, 96.7 percent of households in the UAE had access to broadband internet, and 86.3 percent of households had a smartphone. This compares to 55.7 percent broadband internet access in the world and 59.1 percent in the Middle East and North Africa (MENA) region, and to smartphone possession of 79.7 percent in the world and 72.1 percent in MENA.

Figure 1. UAE access to broadband internet and possession of smartphones

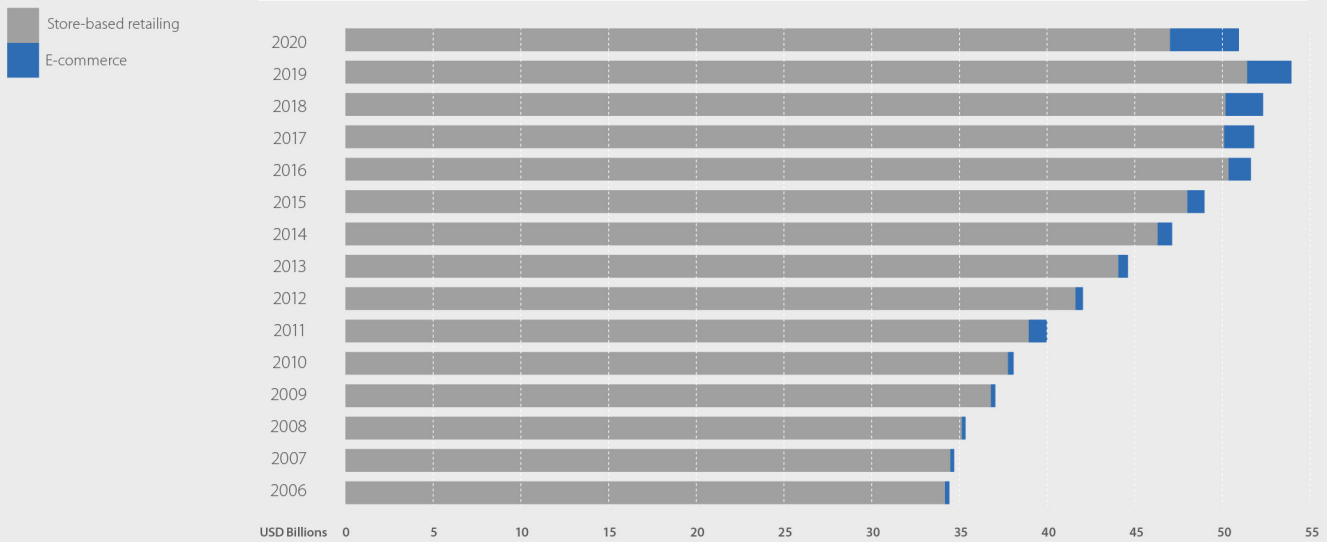


Source: Euromonitor Passport data

Retail trends and the rise of e-commerce

Given the rise in digital infrastructure, the majority of households in the UAE are now equipped for e-commerce. Figure 2 shows that e-commerce has indeed become a growing part of retail activity. Although e-commerce in the UAE is not as significant as in the UK, where e-commerce accounts for more than a quarter of all retail activity, it has grown steadily over the last five years. In 2020, which was largely spent in the throes of the pandemic, overall retail activity shrank nearly 10 percent, but e-commerce as a component of retail sales grew almost 60 percent. E-commerce was therefore a growing piece of a shrinking pie in 2020—a trend seen in many parts of the world.

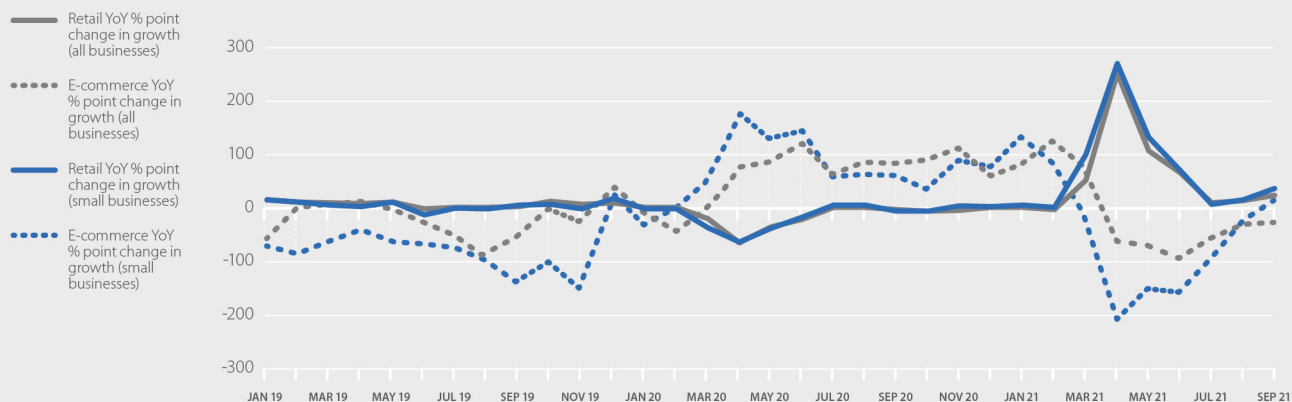
Figure 2. UAE retail and e-commerce trends



Source: Euromonitor Passport data

Visa data illustrate this rise in e-commerce in a couple of ways. First, we look at how many businesses are actively accepting card not present (CNP) payments as an indication of e-commerce activity. For all businesses in Dubai, this percentage increased from 8 percent in July 2019 to 13 percent in August 2021, a growth of 60 percent. For small businesses, the percentage increased from 7 percent to 12 percent over the same period, a 70 percent increase. Still, there is much room to grow. (Small businesses in Visa data were identified by a formula relying heavily on revenue, since Visa does not have visibility into the number of employees in a given business.) Second, we can look at change in retail growth rates. The next figure is derived from Visa transactional data for UAE businesses over the last three years. It depicts monthly year-over-year (YoY) percentage point change in growth rates for retail sales and e-commerce sales for all businesses, and for small businesses. Values near zero reflect little change in growth rates from the same month the previous year, positive values reflect a greater growth rate than in the previous year, and negative values reflect less growth than the year before. As can be seen in the data, the solid lines depicting overall retail activity for both all firms and small firms were relatively close to zero, reflecting steady growth trends, until spring of 2020, when the negative effects of the pandemic can be seen. There is then a strong upward trend in spring 2021, reflecting a rebound of stronger growth compared to the year before. E-commerce trends show a different pattern, though e-commerce actually grew during the entire period. The dotted lines are mostly negative in 2019, indicative of lower growth in 2019 over a very strong 2018. As soon as the pandemic hit, e-commerce grew strongly compared to the 2019 numbers, and when overall retail activity rebounded, e-commerce grew more slowly than in the year before.

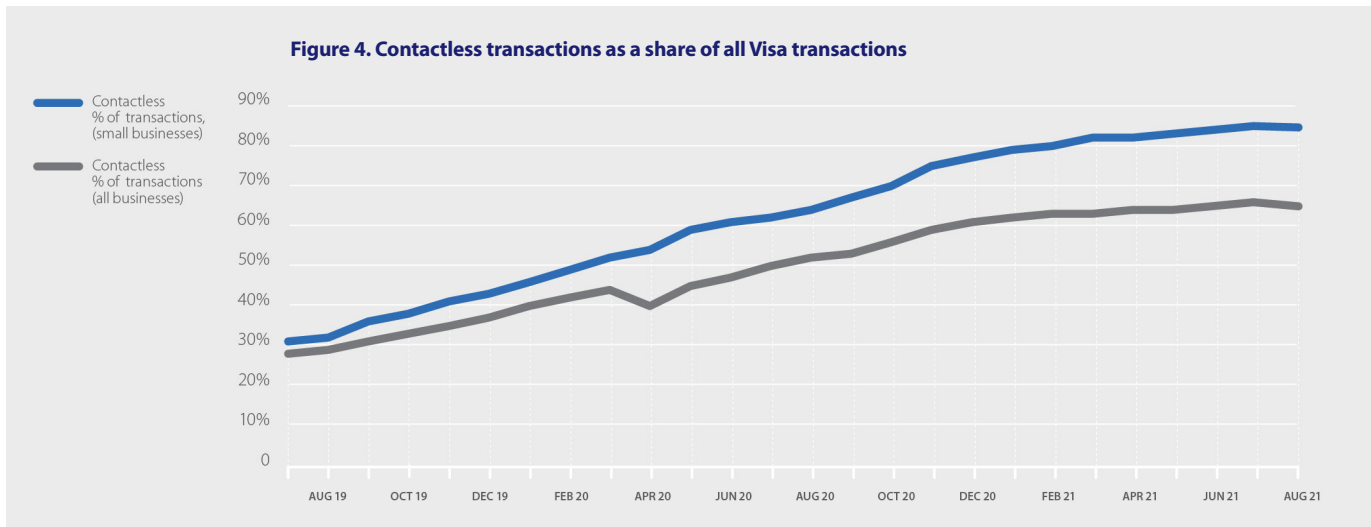
Figure 3. A look at UAE retail activity from Visa data (monthly YoY % point change in growth)



Source: VisaNet data

The ascendance of contactless transactions for in-person commerce

Finally, although e-commerce has been gaining momentum in the UAE and much of the rest of the world (prior to and especially during the pandemic), consumers also rapidly adopted contactless payments for in-person commerce. The next figure is also derived from Visa data and shows the contactless share of all in-person card payments for all businesses and for small businesses. In July 2019, 28 percent of all in-person card transactions were contactless, and 31 percent of small business in-person payments were contactless. The divergence between the two lines on the figure is likely due to the business sectors represented by small businesses versus all businesses. It is also possible (but not explored by the study team) that small businesses were more easily able to upgrade or enable their point of sale equipment to accept contactless payments than were other businesses, with their more substantial legacy equipment investments. At any rate, contactless payments became very important to in-person commerce in just a 13-month period, more than doubling for all businesses, and nearly tripling for small businesses.

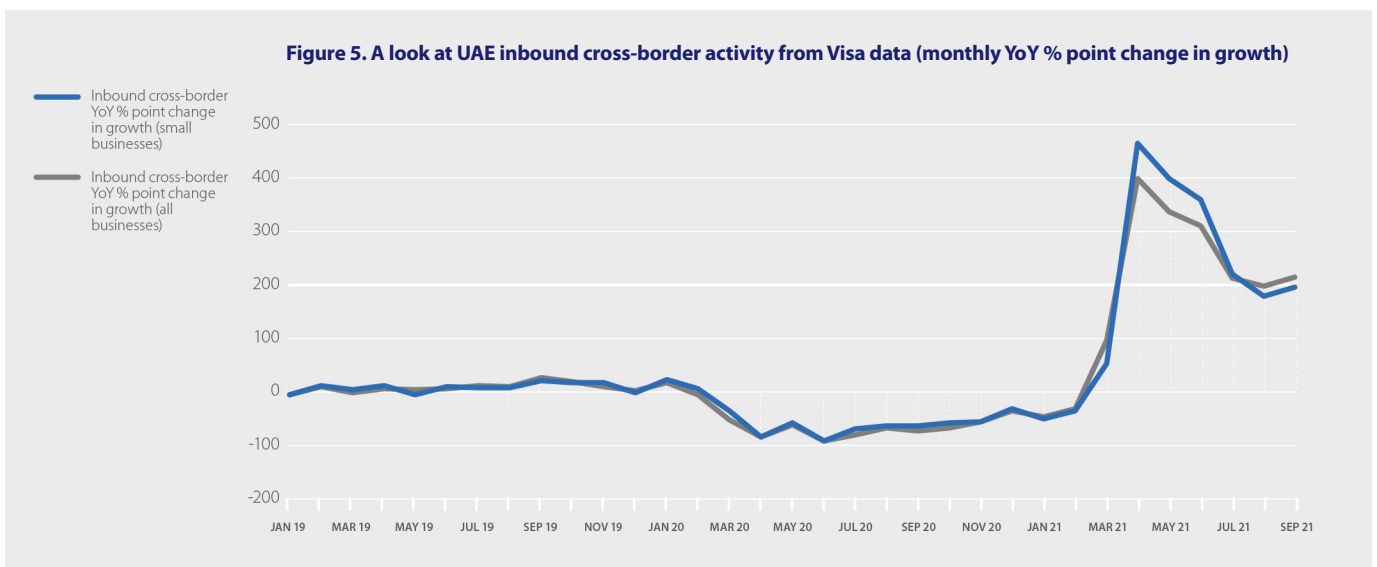


Source: VisaNet data

The fifth edition of the Visa Back to Business Study (2021) provides some additional context on small business and consumer views of the evolution of commerce and payments. In that survey of small businesses and consumers in nine countries, conducted in June and published in September 2021, nearly half (49 percent) of UAE small businesses (versus 40 percent globally) said accepting contactless payments is among the top critical investment areas needed to meet consumer expectations. And a strong majority (84 percent) of UAE small businesses (versus 74 percent globally) believed customers will continue to want contactless payments as much as or more than they do now. On the consumer side, 92 percent of consumers in the UAE said COVID-19 has permanently changed how they will pay, compared with 68 percent globally. Almost three in four (73 percent) UAE consumers said they would not shop at a store that does not accept contactless payment methods, compared with 44 percent globally. One in three (33 percent) UAE consumers (versus 21 percent globally) indicated they had not used cash in the last week, the second-highest proportion among all countries surveyed. Clearly, UAE consumers have high digital and touchless expectations for commerce.

Cross-border trends

Finally, we take a look at inbound cross-border payments, which are important for an economy like that of the UAE. Figure 5 depicts trends for Visa-based inbound cross-border activity for all businesses and for small businesses. Just as in Figure 3, this figure depicts monthly year-over-year (YoY) percentage point change in growth rates for retail sales and e-commerce sales for all businesses, and for small businesses. Values near zero reflect little change in growth rates from the same month the previous year, positive values reflect a greater growth rate than in the previous year, and negative values reflect less growth than the year before. As can be seen in the figure, growth rates were quite steady until spring of 2020, when growth declined relative to 2019. There was a strong rebound in the spring of 2021, compared with the spring of 2020, when travel came to a virtual standstill. The rebound continued strongly into the summer.



Source: VisaNet data

As can be seen in the preceding data analyses and survey results, the UAE has a robust digital infrastructure and has seen a rise in the comparative importance of e-commerce that was only accelerated by the pandemic. The pandemic also accelerated the adoption of contactless payments for those still made in person, and businesses and consumers expect that adoption to hold. This paper will now shift focus to the emirate and city of Dubai, one of the seven emirates of the UAE.

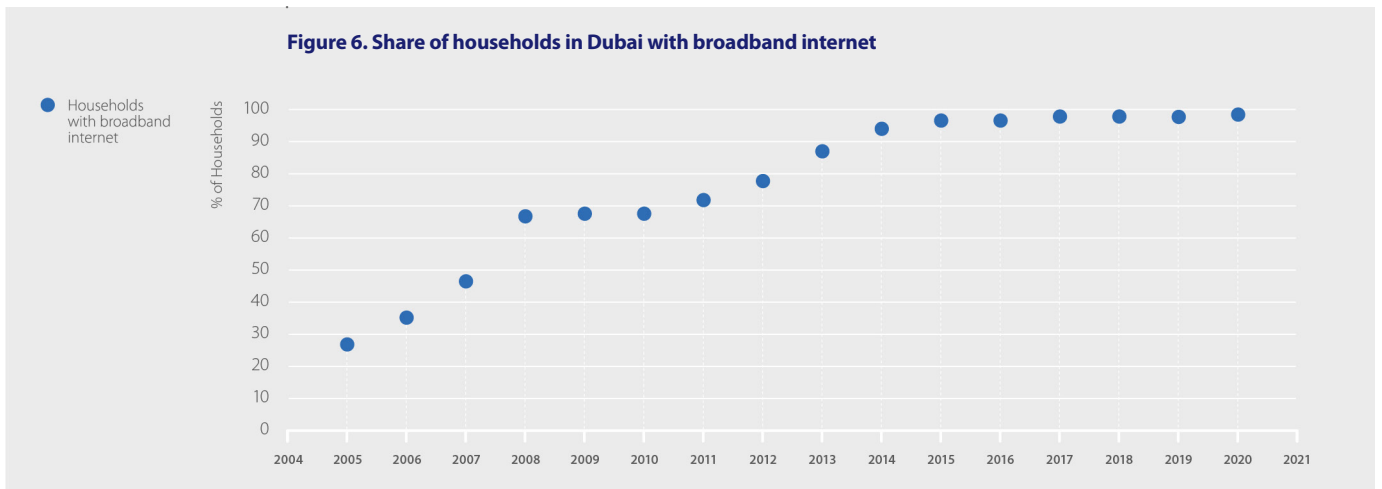
Dubai's digital journey— and the COVID-19 pandemic

Over the past several decades, Dubai has transformed from a regional trading post and major oil producer to a thriving metropolis and global finance, trade, and tourism hub. Oil production, which once accounted for 50 percent of Dubai's gross domestic product (GDP), now contributes less than 1 percent (Winkler, 2018). The diversification of Dubai's economy has been facilitated by the government's commitment to implementing policies that boost innovation and entrepreneurship-driven growth in the region. In Dubai alone, 99.2 percent of establishments are classified as MSMEs, and they employ 51 percent of the workforce, contributing around 46 percent of the emirate's GDP (Dubai SME, 2019).

Although Dubai has maintained a positive YoY GDP growth rate over the last decade, the emirate was not spared from the COVID-19 pandemic, which, in addition to taking a toll on health, disrupted the global supply chains and international transportation networks that fuel Dubai's economy. Since the onset of the pandemic, Dubai has responded with swift and effective health measures and economic support initiatives that protected lives and livelihoods. The economic support measures also targeted small businesses, startups, and entrepreneurs' transition to digital services (Dubai SME, 2021). More than 3,500 entrepreneurs are reported to have benefited from free advisory services on digital enablement, and more than 1,600 new startups were launched (Dubai SME, 2021). The UAE government took prompt and concerted actions to maintain business sector growth (Sahu, 2021). These included the AED 100 billion Economic Support Scheme launched by the central bank aimed at retail and corporate customers affected by COVID-19 to facilitate temporary relief from payments of outstanding loans, assisting more than 133,000 clients, many of them MSMEs. The bank also adopted the Targeted Economic Support Scheme to promote lending to distressed clients. This program is estimated to have benefited nearly 10,000 MSMEs between March and July 2020 alone (Dubai Department of Economic Development, 2021a); in April 2021, the central bank extended the program until mid-2022 (Barbuscia, 2021). Both the UAE and Dubai governments provided support to MSMEs in the form of fiscal measures aimed at reducing fees and taxes and simplifying business procedures (International Monetary Fund, 2021).

The pandemic also provided a unique opportunity for Dubai to expand the adoption and use of digital tools and services. Although Dubai has frequently been at the forefront of digital technology adoption, 60 percent of Dubai's population remained underbanked as of 2020, and online retail sales penetration in the region remained significantly below the global average (Dubai Department of Economic Development, 2021b). Virtual operation requirements imposed during the pandemic, however, pushed individuals across the economic spectrum to utilize online services and make digital payments. Business owners moved quickly to fill this new demand: Dubai recorded an 83 percent YoY increase in the number of e-commerce licenses issued during the first half of 2020 (National News, 2021). The growth in digital commerce also decreased traditional trade costs, and it provides ongoing cost reductions for entrepreneurs and business owners (Dubai Department of Economic Development, 2020).

Before the pandemic, Dubai was well positioned for digital commerce, in part because of its existing infrastructure. For example, Dubai's share of households with broadband internet mirrors that of the UAE in general. In the mid-2000s, the UAE was already accelerating growth in the share of households with broadband access, and since 2015, broadband has basically achieved universal coverage, as can be seen on the following figure.



Source: Euromonitor Passport data

As the pandemic worsened, strategies adopted by the Dubai government to manage the worst of the crisis and support the economy's ongoing digital transformation were aimed at supporting long-term, inclusive, and sustainable growth. Because vaccines are being administered globally, the government of Dubai is committed to reopening quickly and safely. The Dubai Expo, originally scheduled for 2020, finally launched in October 2021 with a mandatory vaccination or negative COVID-19 test requirement, boosting economic activity, travel, and tourism in the region (Nair et al., 2021).

Prior to the onset of COVID-19, Dubai was committed to expanding innovation and entrepreneurship in the region. The pandemic has served to reinforce this undertaking, with a clear focus on e-commerce and digital trade. During the September 2021 Dubai Digital Economy Retreat, the emirate adopted a new digital economy strategy to enhance the digital business environment, support the development of digital companies, and attract leading digital companies to Dubai (Emirates News Agency, 2021). Investments in the digital economy are intended to enhance Dubai's value proposition as a technologically innovative financial and cultural center and to prepare the region to remain economically competitive going forward.

Key findings from the VEEI survey of Dubai's micro, small, and medium enterprises

Against the backdrop of these Dubai government activities aimed at MSME digital enablement and recovery, VEEI, Nextrade Group, and Dubai SME partnered to design and field an online survey of MSMEs in July and August of 2021.

The survey was conducted to help answer several questions:

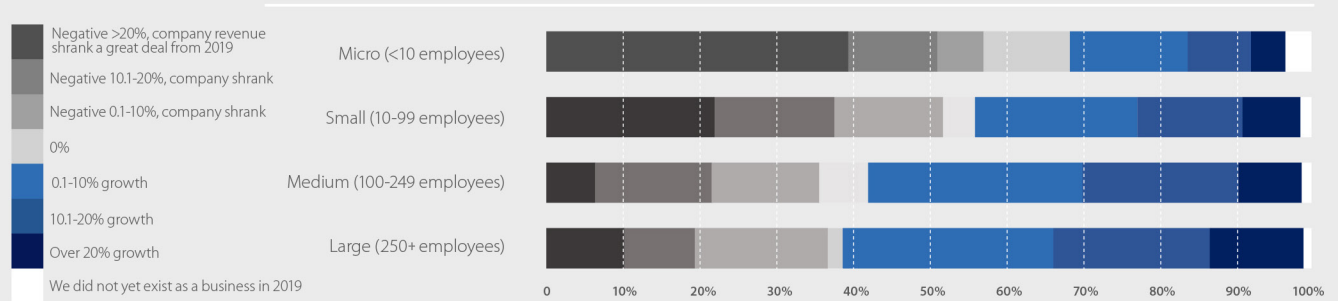
- What difficulties did the COVID-19 crisis cause for MSMEs, and how did they respond?
- What previous trends in commerce and payments helped MSMEs perform better during the pandemic?
- How has the pandemic accelerated certain trends, especially the reliance on e-commerce marketplaces and digital payments?
- What are some Dubai government policies and private-sector initiatives that were helpful?
- What do MSMEs need to survive, thrive, and be resilient to future shocks?
- What are MSMEs prioritizing in their planning?

The survey obtained responses from 930 firms in more than 20 business sectors. Firms from 195 of Dubai's 226 recognized neighborhoods responded. Nearly 29 percent of respondents were micro enterprises (0-9 employees); 44 percent were small (10-99 employees); 17 percent were medium (100-249 employees); and almost 11 percent were large (250+ employees.) Note: Dubai uses slightly different classifications for firm size, depending on business sector, but these definitions were used for comparability with other VEEI studies. See Annex 1 for more detail on the size breakdown of responding firms, the age of the firms, and the business sectors represented. Although large firms were not the focus of the study, there are occasional insights and comparisons involving large firms that are useful, and those will be referenced when they are applicable.

Less than half of MSMEs reported positive growth in 2020; more expected to grow in 2021

Forty-three percent of the surveyed firms had positive revenue growth in 2020, and 62 percent expected to experience positive growth in revenue in 2021—but compared with a 2020 baseline. Not surprisingly, firms that experienced the fastest revenue growth in 2020 also expected to fare much better in 2021 than firms that experienced little or negative growth in revenue in 2020. As can be seen in the following figure, revenue growth in 2020 was notably correlated with firm size, with well over 50 percent of micro and small firms reporting negative growth, compared with fewer than 40 percent of medium and large firms having negative revenue growth. The hardest-hit firms—those experiencing more than a 20 percent decline in revenue—were primarily the micro firms.

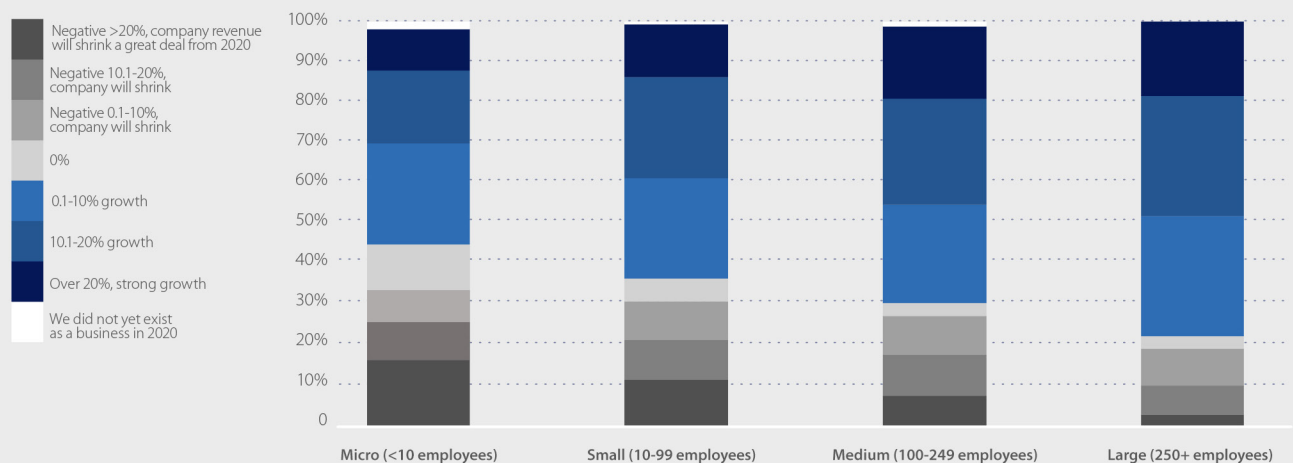
Figure 7. Surveyed firms' revenue growth in 2020, by firm size



Source: VEEI survey of businesses in Dubai, 2021

The following figure shows expectations for 2021, compared with 2020. Here again, there is a negative correlation between revenue growth and firm size, with just a little more than half of micro firms expecting positive growth in 2021 over 2020 (an already bad year for them). But more than three-quarters of large firms reported that they were expecting to improve on their 2020 experience, and they had experienced a better 2020 than other firms.

Figure 8. Surveyed firms' expected revenue growth in 2021, by firm size

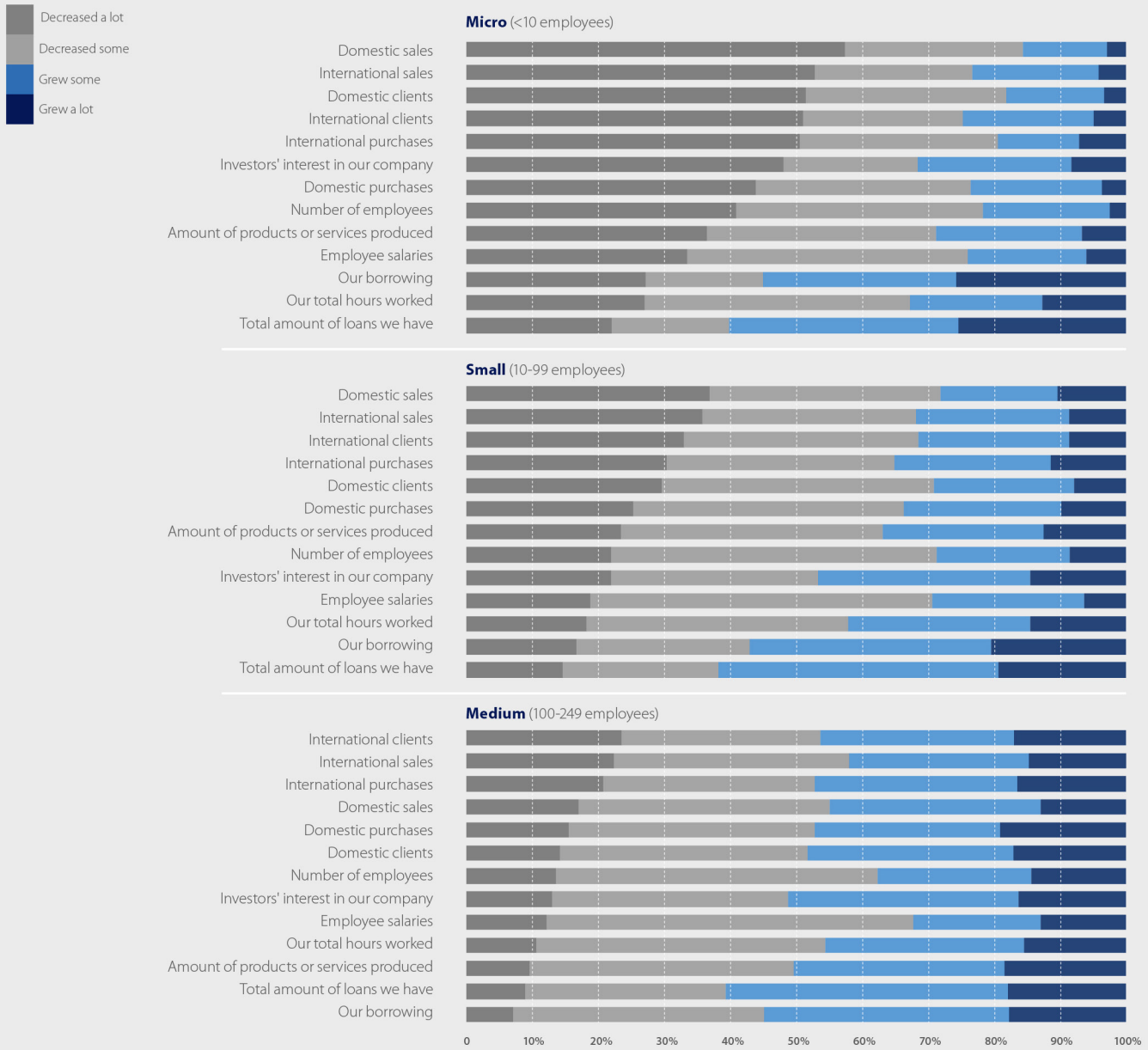


Source: VEEI survey of businesses in Dubai, 2021

The biggest COVID-19 impacts were on sales and employment

For most firms, domestic and international sales and purchases, customer base, and employment were among the largest segments affected by COVID-19 in 2021. As seen in the next figure, about 50 percent of micro and one-third of small firms experienced “significant” declines in their international sales, purchases, and customer base, while just around 20 percent of medium firms had significant declines in these areas. Micro enterprises in particular reported significant declines in employment and investor interest in their companies.

Figure 9. Surveyed firms' damage assessment of COVID-19 on key performance indicators, by firm size



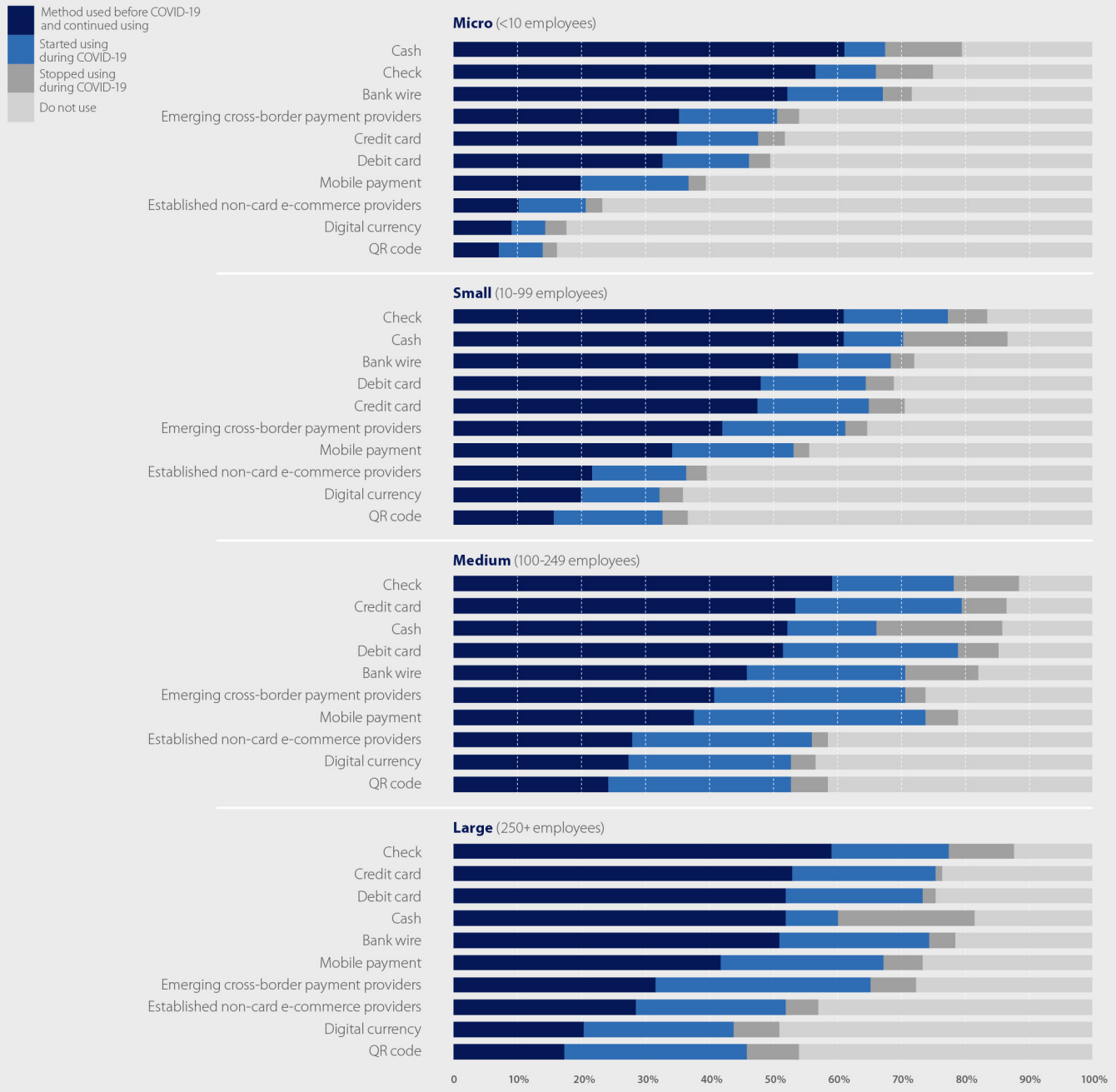
Source: VEEI survey of businesses in Dubai, 2021

MSMEs adopted new payment capabilities during the pandemic—and dropped some familiar ones

Firms transitioned away from cash more than other payment methods, across all firm size categories. Checks were also abandoned by many firms. The majority of firms in all size categories still accept cash, but mobile payments, QR code payments, established non-card e-commerce payment providers, and newer entrants in the payment space kept gaining users, especially in comparison with the pre-crisis levels. In a striking development, a larger share of medium firms now accept mobile payments than accept cash for domestic transactions. Cards also kept growing as a means of acceptance. Established non-card cross-border payment providers, mobile payments, and QR code payments kept gaining new users in international payments.

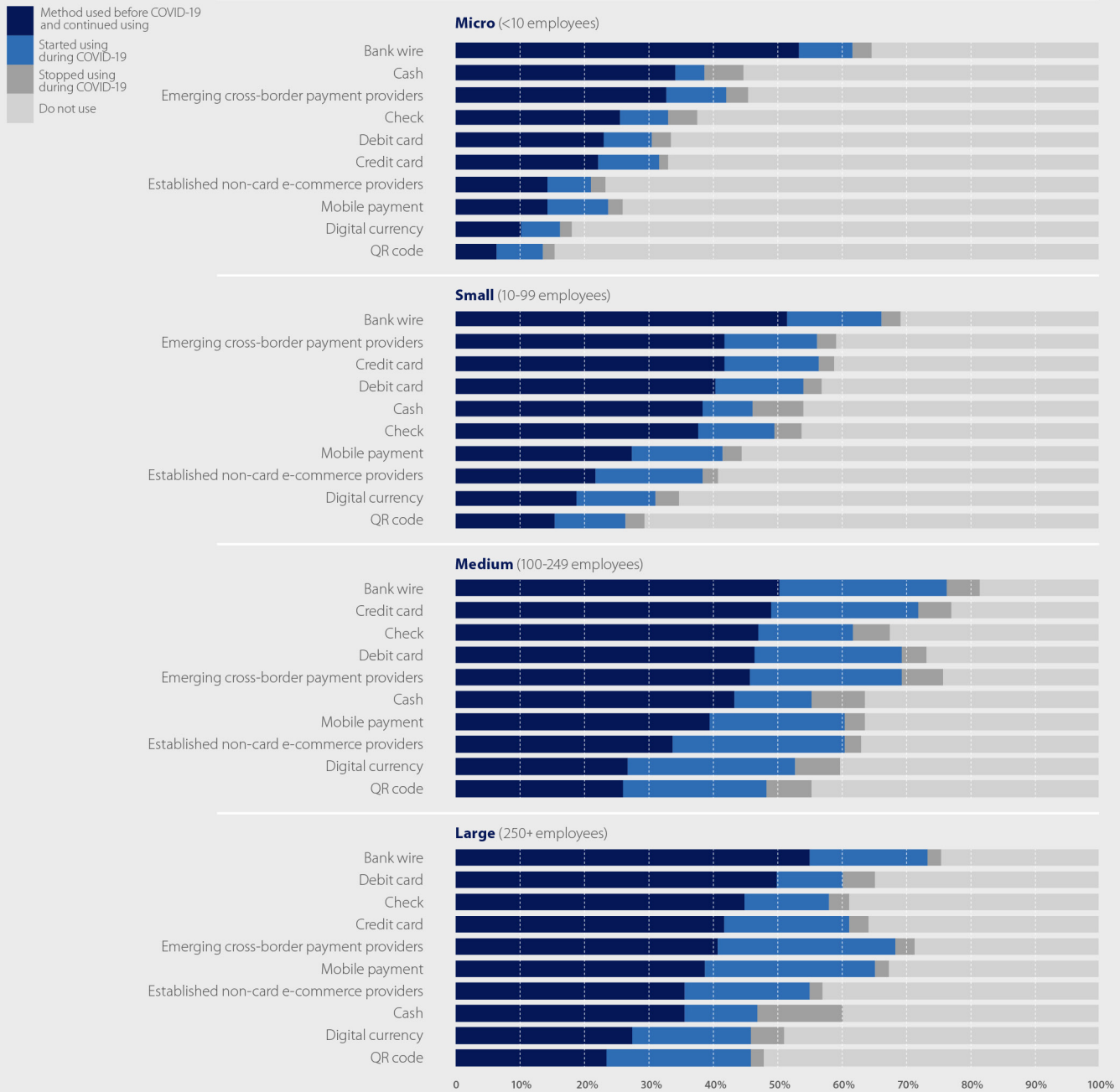
Emerging cross-border payment providers also saw large gains among medium and large firms. The following figures have more detail on payment acceptance by MSMEs, from both domestic customers and international customers.

Figure 10. Surveyed firms' use and adoption of payment methods from domestic customers in response to COVID-19, by firm size and method



Source: VEEI survey of businesses in Dubai, 2021

Figure 11. Surveyed firms' use and adoption of payment methods from international customers in response to COVID-19, by firm size and method

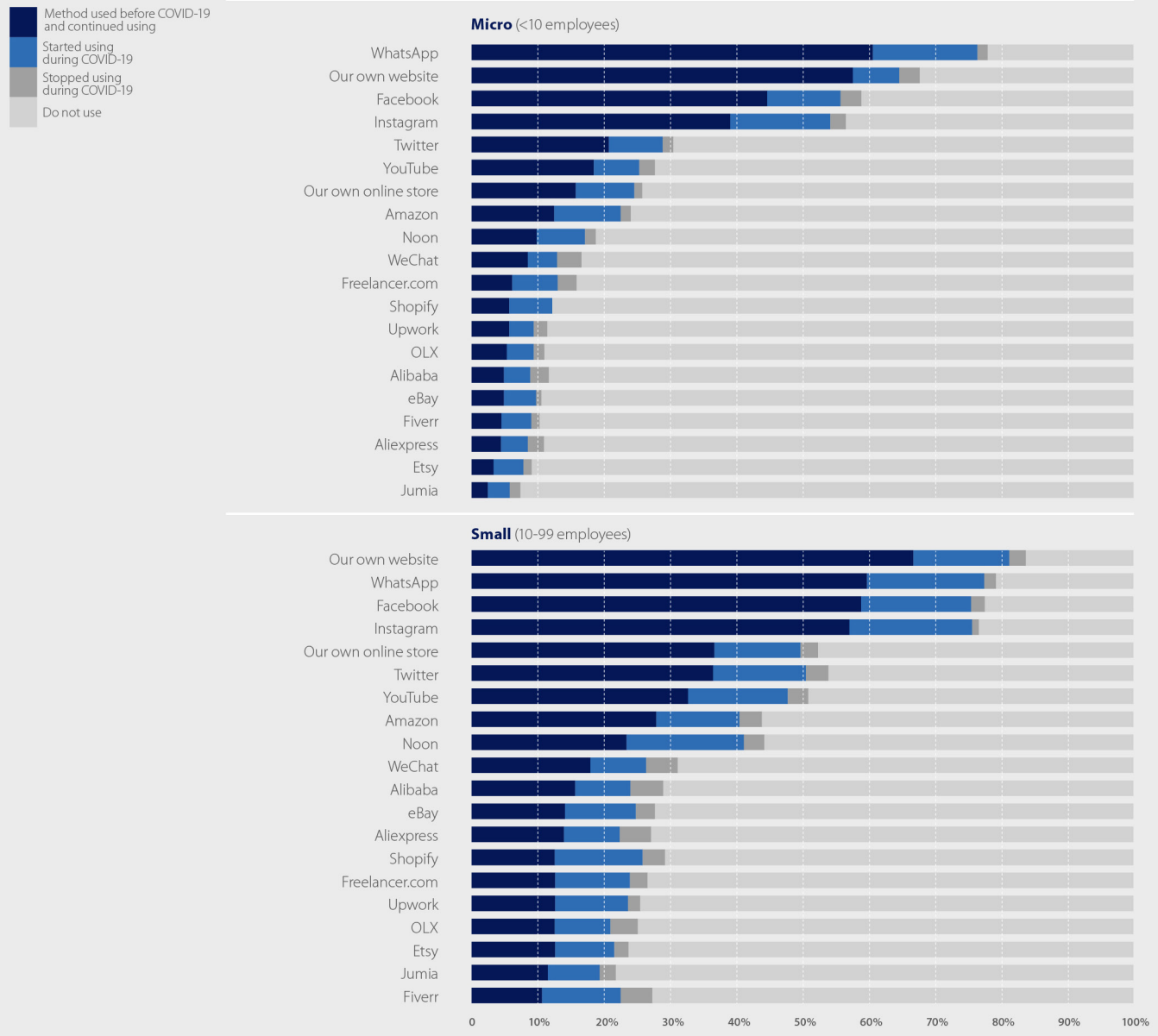


Source: VEEI survey of businesses in Dubai, 2021

MSMEs expanded their use of social networks, messaging apps, and marketplaces

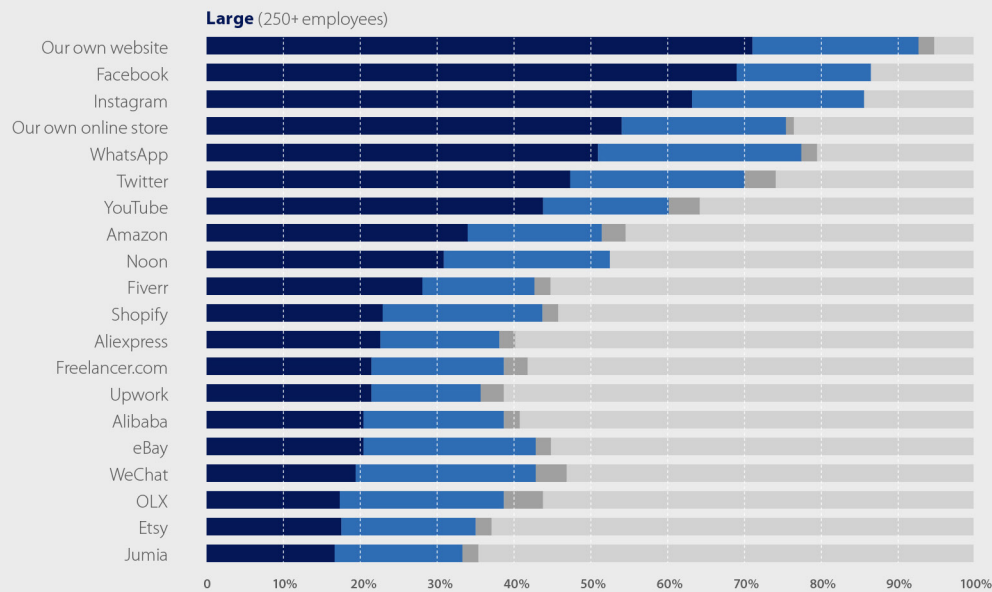
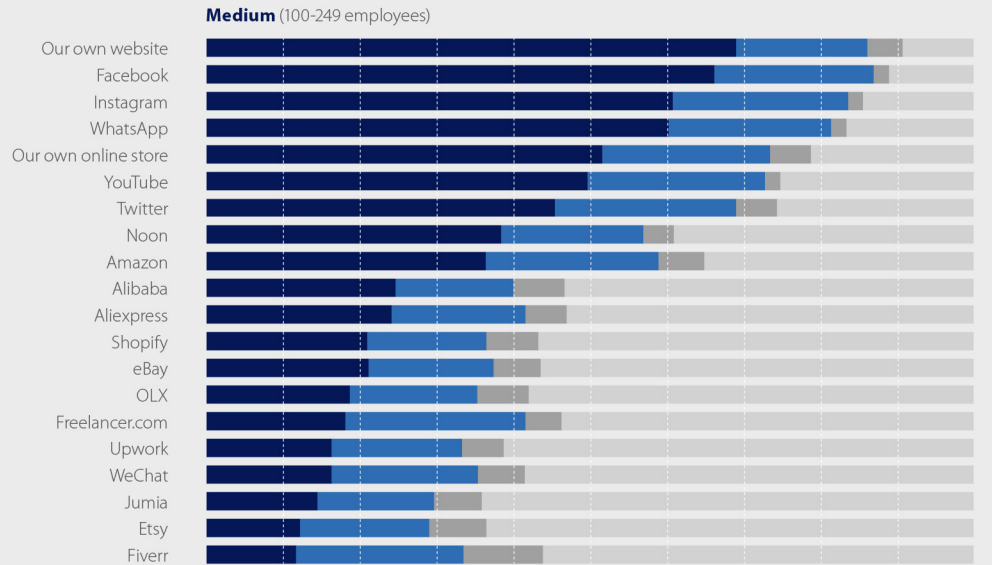
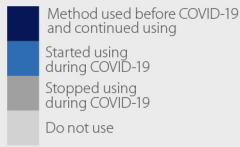
MSMEs also increased their digital activity across the board and across size categories. As can be seen in the following figure, the “started using during COVID-19” responses are very high for small, medium, and large firms, while micro firms made smaller, but still significant, adoptions. Although social media platforms are used by the large majority of firms of all sizes, small, medium, and large firms have significantly increased their use of marketplaces such as Amazon, Noon, Alibaba, eBay, Etsy, Upwork, Freelancer.com, and Fiverr. The use of these marketplaces doubled in many cases from their pre-pandemic levels.

Figure 12. Surveyed firms’ use and adoption of marketplaces in response to COVID-19, by firm size and marketplace



Source: VEEI survey of businesses in Dubai, 2021

Figure 12. (Cont.)



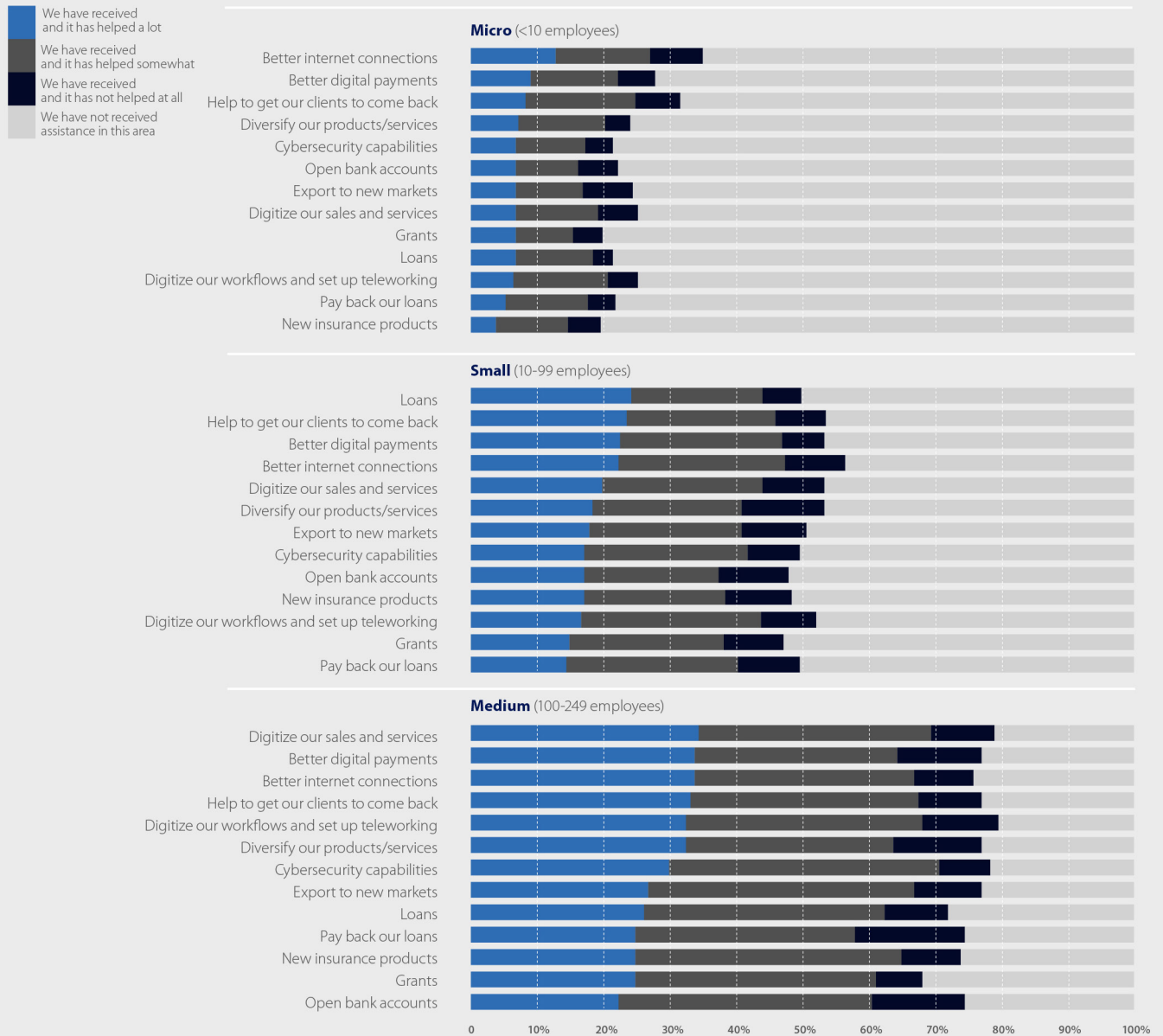
Source: VEEI survey of businesses in Dubai, 2021

MSMEs received public-sector assistance, but fewer smaller firms reported getting help

In response to the COVID-19 crisis, MSMEs in Dubai received several types of assistance. Dubai SME facilitated the temporary postponement of collection of rents through its Hamdan Innovation Incubator and allocated AED 20 million in capital guarantees through its financial arm, the Mohammed Bin Rashid Fund (Rahman, 2020). At the time of the survey, MSMEs reported receiving different types of assistance to weather the crisis, especially in the form of loans, digital payment capabilities, and better internet connections.

As shown in the following figure, medium firms were likeliest to receive financial assistance and to say it was helpful; a large majority, about 75 percent, of micro enterprises did not report receiving any financial assistance, perhaps not recalling certain types of assistance, like fee waivers, that were granted automatically to all firms, or not attributing these forms of help to one or more of the categories of assistance in the survey. However, 20 percent or more of micro enterprises and 40 percent or more of small firms reported receiving help in improving their internet connections, accepting digital payments, digitizing their sales and services, and getting clients to come back.

Figure 13. Surveyed firms' assessment of assistance received to respond to COVID-19, by firm size

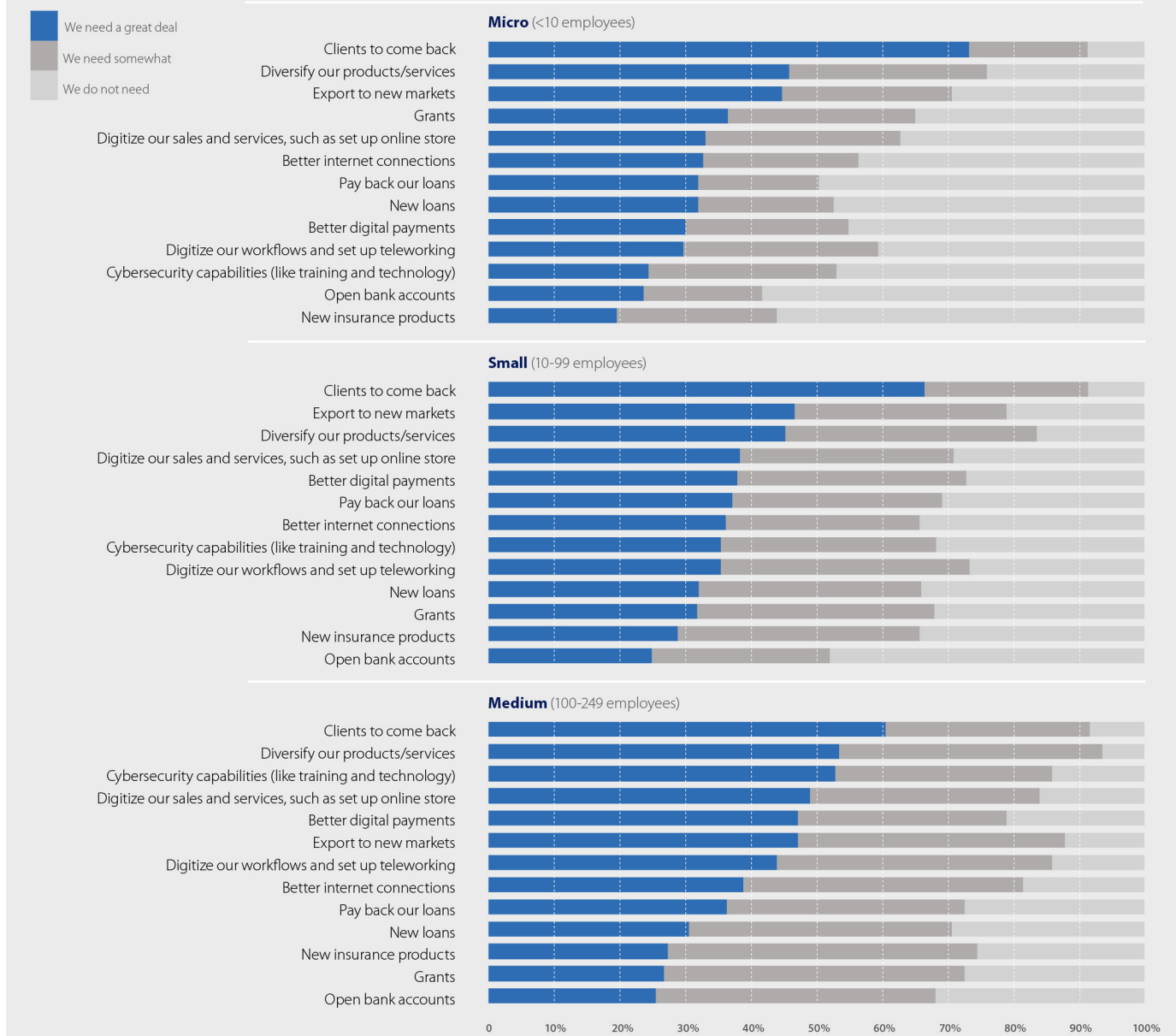


Source: VEEI survey of businesses in Dubai, 2021

MSMEs reported a number of challenges to their recovery, some of which varied by firm size

In terms of what they need most to weather the crisis over the next three to six months, the overwhelming majority of MSMEs said they needed their customers to come back; this answer was followed by expressing needs for diversifying their products and services, exporting to new markets, and digitizing their sales channels. Medium firms expressed the most intense needs overall, with an average of more than 80 percent of firms greatly or somewhat needing improvements across all areas. The following figure depicts the top needs by firm size. The most acute digital needs of micro firms were digitizing sales and better internet connections, whereas small firms reported needing digital sales and payment capabilities. Medium firms also wanted those things, but they prioritized cybersecurity capabilities more than the smaller firms.

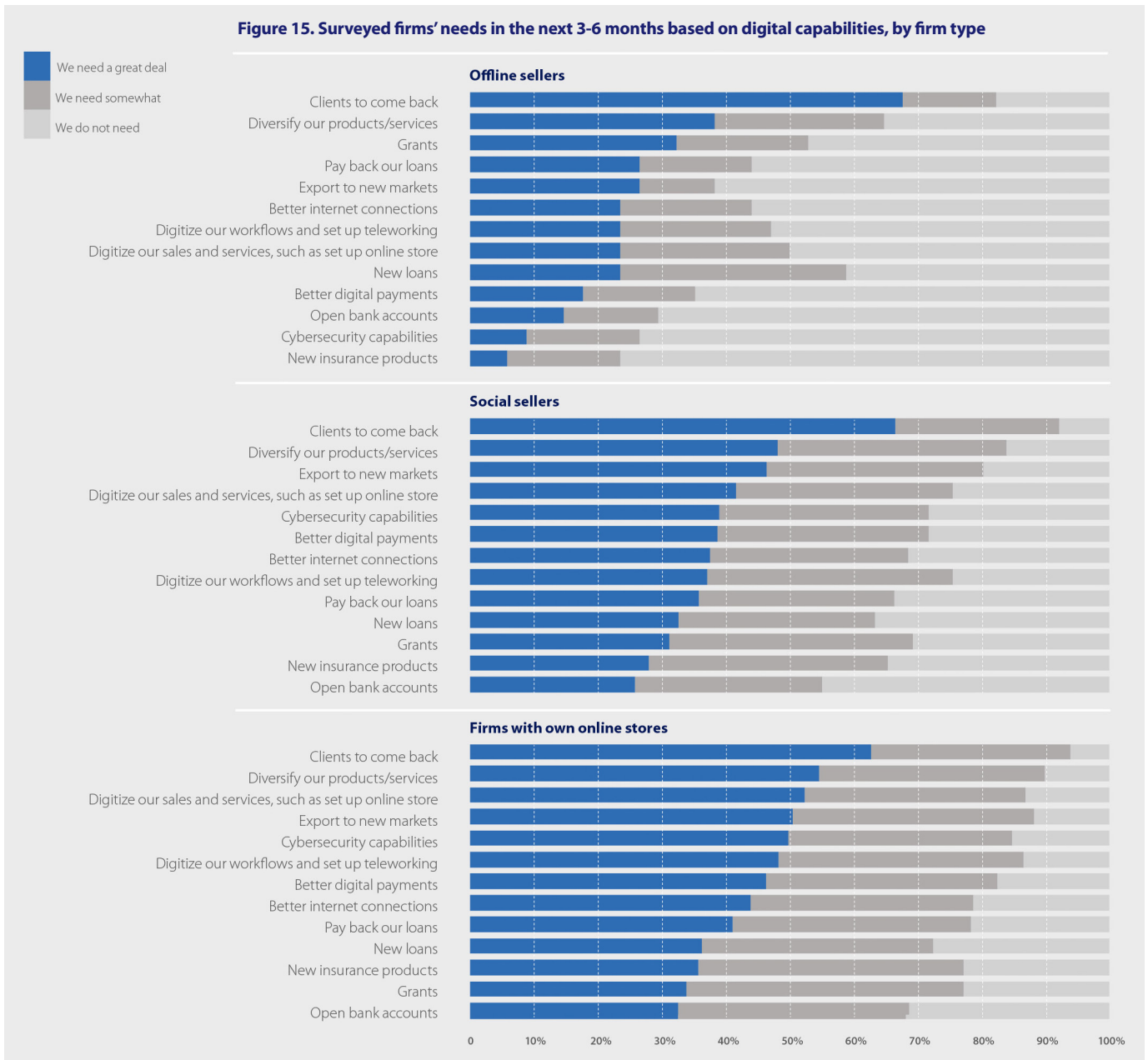
Figure 14. Surveyed firms' needs in the next 3-6 months, by firm size



Source: VEEI survey of businesses in Dubai, 2021

The next figure offers another view of reported needs, this one categorized by firms' digital capabilities. Here, all firm sizes are represented. Offline sellers were significantly more likely to want financial assistance in the form of grants, whereas social media sellers, firms with online stores, and firms that sold on marketplaces all placed loans and grants in the bottom four of their strong needs. Not surprisingly, the three categories of digital sellers included cybersecurity in the top half of their needs. As MSMEs work to improve their capabilities, there are a few key steps they could take, including preparing a cyber incident response plan and training employees to implement it (Davis & English, 2020).

Figure 15. Surveyed firms' needs in the next 3-6 months based on digital capabilities, by firm type



Source: VEEI survey of businesses in Dubai, 2021

Figure 15. (Cont.)



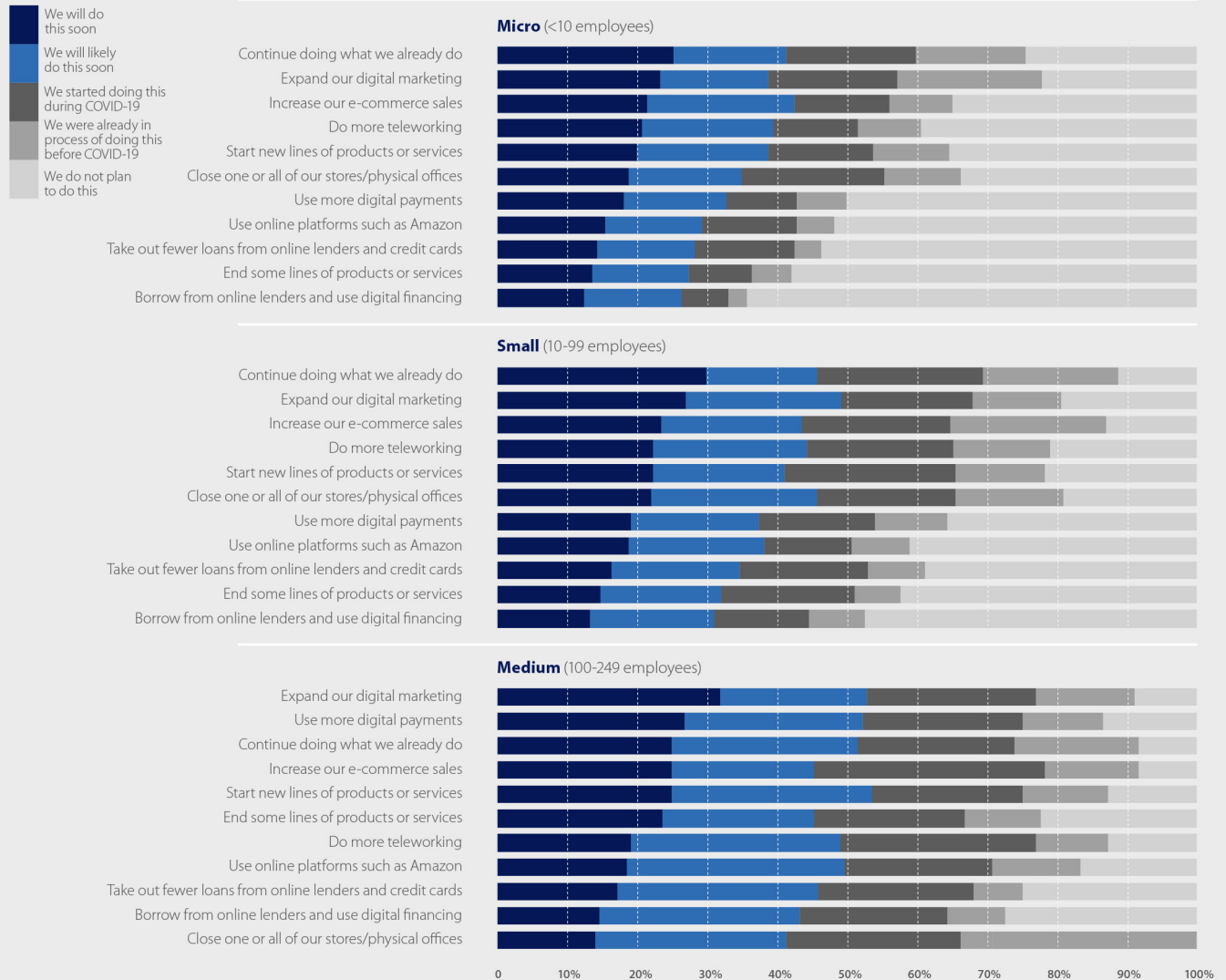
Source: VEEI survey of businesses in Dubai, 2021

Looking ahead, firms plan to prioritize improving their digital capabilities

Firms in every size category said they would prioritize expanding their digital marketing capabilities, growing their online sales, and amplifying their use of digital payments. As shown in the following figure, a high number of firms, about a quarter to a third depending on the firm size category, have set out to enable teleworking before or during COVID-19, and almost another third of firms reported that they were looking to pursue teleworking soon. In general, more firms are planning to improve their digital capabilities than are planning to end product lines, close locations, or borrow money from digital lenders.

Assistance programs initiated during the pandemic response aim at achieving this objective. For example, Dubai Expo 2020 awarded more than AED 4.6 billion to small and medium businesses. Dubai SME has signed partnerships with District 2020 for a global entrepreneur program. This will support the development of and expansion of high-potential startups and small businesses (Singh, 2020).

Figure 16. Surveyed firms' plans to leverage digital capabilities and change business models, by firm size



Source: VEEI survey of businesses in Dubai, 2021

Recommendations for MSME empowerment

Businesses in Dubai have been greatly challenged by the COVID-19 pandemic and its effects on travel, hospitality, and retail activity. Still, most firms expected to have a better 2021 than 2020, no doubt owing to government crisis response measures and support to businesses. Using the results of the VEEI survey of MSMEs in Dubai, and anticipating continued public-sector and private-sector collaboration, the study team makes the following recommendations for further empowering Dubai small businesses.

1. **Emphasize digital enablement assistance for MSMEs.** In the case of the VEEI study of five developing countries, a lack of basic infrastructure such as electricity and broadband was sometimes a barrier to the digital enablement of small businesses (Harper, 2021). That is not the case in Dubai, which enjoys a robust digital infrastructure. This is a big advantage for businesses in Dubai and the UAE, given that recent research from the Bank for International Settlements has found that businesses headquartered in countries with strong digital infrastructure performed better in the pandemic than others, and this was especially true for small businesses (Doerr et al., 2021). Although infrastructure itself does not present hurdles in the emirate, the adoption of digital capabilities by small businesses is still a work in progress. Many Dubai MSMEs expressed an interest in improving their digital capabilities, and the micro and small firms in our survey reported having received less help to date in doing so. Among the survey respondents, newer firms and firms led by men are more digital than older firms and women-led firms, so helping more established and women-led firms would also be an appropriate area to focus on. Dubai has developed programs to help MSMEs realign their roadmaps to become more digitally oriented and should build on these initiatives.
2. **Keep consumers in mind when driving digital ubiquity.** Payment methods may differ in functionality, convenience, consumer benefits offered, and other factors; consumer and merchant preferences will often be driven by the use case. Payments need to support the experiences, decisions, and expectations of consumers for any transaction. Contactless payment capabilities originated in the card networks, and during the COVID-19 crisis, these touchless payments have become the norm in consumer payment behavior due to their convenience, security, and low fraud rates. Their adoption has been especially high in the UAE, with contactless rates above 80 percent of all in-person Visa transactions for small businesses.
3. **Prioritize cybersecurity capabilities for small businesses.** As the digital payments landscape continues to evolve in response to changing business and consumer priorities, fraudsters are increasingly engaged in finding new avenues to exploit. Many MSMEs in the survey said they were interested in enhancing their cybersecurity capabilities, and they also welcomed more public-sector assistance for doing so. Medium firms were more likely to identify this as a need; micro and small firms may be unaware of the increasing importance of cybersecurity.

4. **Help small businesses connect to marketplaces and use e-commerce capabilities to export.**

Our survey results indicate that many small businesses in Dubai are taking advantage of the multiplier-market effects of digital trade. Keeping markets open for the cross-border movement of goods, services, and data that is necessary to their success is an essential part of a pro-small business environment. Interoperability, especially regulatory interoperability, is key to allowing effective digital business across borders (Kotschwar & Suominen, 2021). MSMEs want more assistance with regard to digital marketplaces, and policymakers could collaborate with the private sector in connecting small businesses to world markets via marketplaces, as well as to their local communities via “shop local” type platforms. In light of the extraordinarily rapid and broad-based adoption of digital payments and marketplaces among Dubai MSMEs in the past two years, there is a timely opportunity to enable small businesses to translate their e-commerce capabilities into export opportunities—something firms themselves now prioritize in their planning. Enabling firms to export using e-commerce requires further work on the interoperability of cross-border payment systems, export capacity-building, and public-private partnerships in order to optimize logistics.

Sources

- Barbuscia, D. (2021, April 20). *UAE central bank extends some stimulus measures until mid-2022*. Reuters. <https://www.reuters.com/world/middle-east/uae-central-bank-extends-some-stimulus-measures-until-mid-2022-2021-04-20/>
- Davis, J., and English, E. (2020, December). *Keeping the lights on for small businesses: Safeguarding the payments ecosystem during the pandemic*. Visa Economic Empowerment Institute. <https://usa.visa.com/sites/visa-economic-empowerment-institute/digital-financial-inclusion/safeguarding-the-payments-ecosystem.html>
- Doerr, S., Erdem, M., Franco, G., Gambacorta, L., and Illes, A. (2021, October). *Technological capacity and firms' recovery from Covid-19*. BIS Working Paper No. 965. <https://www.bis.org/publ/work965.htm>
- Dubai Department of Economy and Tourism (2020). *Economic bulletin*. https://ded.ae/DubaiEconomicBulletin/june_2020/economic-bulletin-2020-03-en.html
- (2021a). *Dubai 2021 Post-COVID Economic Recovery Outlook*.
- (2021b). *Wholesale & retail: Now, next & beyond* [unpublished draft].
- Dubai SME, Government of Dubai (2019). *The state of small & medium enterprises (SMEs) in Dubai*. https://sme.ae/SME_File/Files/SME%20REPORT%202019.pdf
- (2021). *Enabling SMEs and entrepreneurs to navigate through COVID19*. [PowerPoint slides presented at OECD-organized conference].
- Emirates News Agency (2021, September 15). *Dubai adopts action plan to develop Dubai digital economy strategy*. <https://www.wam.ae/en/details/1395302970422>
- Harper, C. (2021). *Small business in the digital age: Recommendations for recovery and resilience*. Visa Economic Empowerment Institute. <https://usa.visa.com/content/dam/VCOM/global/ms/documents/veei-small-business-in-the-digital-age.pdf>
- International Monetary Fund (IMF). (2021, July 2). *Policy responses to COVID-19: Policy tracker*. <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19>
- Kotschwar, B., and Suominen, K. (2021). *Keeping global networks open: Strategies to foster competition and development in the digital economy*. Visa Economic Empowerment Institute. <https://usa.review.visa.com/content/dam/VCOM/global/ms/documents/veei-keeping-networks-open.pdf>

National News (2021, October 4). *Dubai's e-commerce license issuance up 83 percent in first half*.
<https://www.thenationalnews.com/business/dubai-s-e-commerce-licence-issuance-up-83-in-first-half-1.1043900>

Nair, A., et al. (2021, September 15). *Dubai changes Expo rules to make vaccines mandatory for entry*. Bloomberg.
<https://www.bloomberg.com/news/articles/2021-09-15/dubai-changes-expo-rules-to-make-vaccines-mandatory-for-entry>

Rahman, F. (2020, June 1). *Dubai SME rolls out new measures to support entrepreneurs and start-ups*. National News.
<https://www.thenationalnews.com/business/dubai-sme-rolls-out-new-measures-to-support-entrepreneurs-and-start-ups-1.1027373>.

Sahu, M. (2021). *Public policy measures for COVID-19 crisis management: Lessons from the UAE*, *Fullbright Review of Economics and Policy*, Vol. 1(2), 246–265.
<https://doi.org/10.1108/FREP-09-2021-0054>

Singh, Pooja. (2020, November 26). *The survival of UAE SMEs in a post COVID-19 digital economy*. Entrepreneur.com.
<https://www.entrepreneur.com/article/360387>

United Arab Emirates Government Portal (2021). *Small and medium enterprises (SMEs)—quick facts*.
<https://u.ae/en/information-and-services/business/small-and-medium-enterprises/small-and-medium-enterprises>

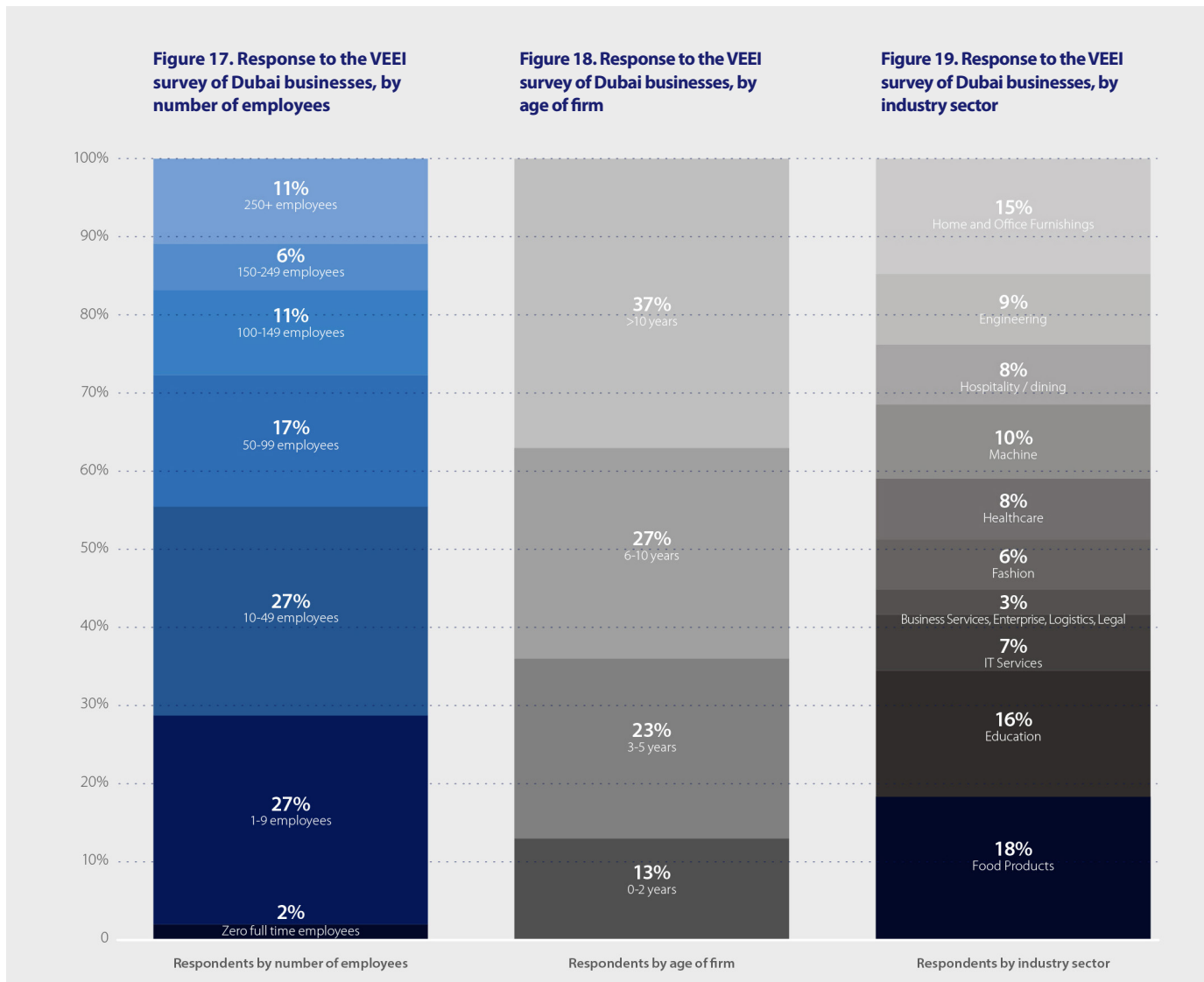
Visa (2021, September). *The Visa Back to Business Study: 5th edition*.
<https://usa.visa.com/dam/VCOM/blogs/visa-back-to-business-study-one-year-edition-sep21.pdf>

Winkler, M. (2018, January 13). *Dubai's the very model of a modern Mideast economy*. Bloomberg Opinion.
<https://www.bloomberg.com/opinion/articles/2018-01-14/dubai-s-the-very-model-of-a-modern-mideast-economy>

Annex 1: Survey methodology detail

The online survey, fielded in August 2021, obtained responses from 930 firms. Responses were obtained from firms in 195 of Dubai's 226 communities.

Figure 17 shows respondents by number of employees, and this breakdown aligns more closely to some of Dubai's classifications of small businesses. Figure 18 shows respondents by age of firm, and Figure 19 shows a breakdown of business sectors. Surveyed firms identified themselves in over 20 sectors, which have been aggregated into 10 in the figure.



Source: VEEI survey of businesses in Dubai, 2021

Annex 2: Text descriptions of figures

Figure 1. This figure, sourced from Euromonitor Passport, shows the trend line for access to broadband internet as well as possession of smartphones from 2004 to 2020. The graph shows that since 2004 there has been a substantial increase in both access to broadband and possession of smartphones. Broadband access began the period at around 20 percent, and grew to almost 100 percent, while smartphone possession began at just above 0 percent and grew to almost 90 percent. Access to broadband has been slightly higher than possession of smartphones, but since 2008 the gap has shrunk from a greater than 40 percentage point difference to around a 10 percentage point difference in 2020.

Figure 2. This figure, sourced from Euromonitor Passport, shows the retail and e-commerce trends in the UAE from 2006 to 2020. The graph shows that overall retail spending has increased over time and in 2020 was around US\$50 billion. Of that, e-commerce makes up a very small amount, but there was a noticeable increase over the 14-year period. In 2020, there was a significant decline in retail spending compared with the previous five years, but there was an increase in spending on e-commerce. Retail spending appeared to be at the highest point in 2020 but still made up less than 10 percent of overall retail spending.

Figure 3: This figure is derived from Visa transactional data for UAE businesses over the last three years. It depicts monthly year-over-year (YoY) percentage point change in growth rates for retail sales and e-commerce sales for all businesses, and for small businesses. Values near zero reflect little change in growth rates from the same month the previous year, positive values reflect a greater growth rate than in the previous year, and negative values reflect less growth than the year before. As can be seen in the data, the line for all firms and small firms were relatively close to zero, reflecting steady growth trends, until spring of 2020, when the negative effects of the pandemic can be seen. There is then a strong upward trend in spring 2021, reflecting a rebound of stronger growth compared to the year before. E-commerce trends show a different pattern, though e-commerce actually grew during the entire period. The dotted lines are mostly negative in 2019, indicative of lower growth in 2019 over a very strong 2018. As soon as the pandemic hits e-commerce grew strongly compared to the 2019 numbers, and when overall retail activity rebounded, e-commerce grew more slowly than in the year before.

Figure 4: This figure shows the growth of contactless transactions as a share of all Visa transactions between July 2019 and August 2021. In this figure, there is a noticeable growth in contactless transactions for both small businesses and overall transactions. In July 2019, 28 percent of all in-person transactions were contactless, and 31 percent of small business in-person transactions were contactless. By August 2021, the contactless percentages were 65 percent and 85 percent, respectively. At all points in the graph, small businesses have a greater percentage of contactless transactions; the spring of 2020 is when the trend lines start to diverge more sharply.

Figure 5: This figure depicts trends for Visa-based inbound cross-border activity for all businesses and for small business. The figure shows that growth rates were quite steady until spring of 2020, when growth declined relative to 2019. There was a strong rebound in the spring of 2021, compared with the spring of 2020, when travel came to a virtual standstill. The rebound is continuing strongly into the summer.

Figure 6: This figure shows the share of households in Dubai with access to broadband internet between 2005 and 2020. The data show that in 2005, fewer than 30 percent of households had access to broadband internet. Over time this percentage has increased significantly: By 2008, close to 70 percent of households had access to broadband internet. Between 2008 and 2011 the growth of households with broadband slowed, but it increased again between 2012 and 2015. After 2015 a noticeable plateau was reached when almost 100 percent of all households had broadband internet.

Figure 7: This figure shows firms' assessments of revenue growth in 2020. The chart breaks responses down by category of firms: micro (fewer than 10 employees), small (10-99 employees), medium (100-249 employees), and large (250+ employees), and plots their assessment of 2020 revenues. Response options were: revenue decrease of more than 20 percent; decrease of 10-20 percent and company shrank; decrease of 0.1 – 10 percent and company shrank; 0 percent, no decrease or growth; 0.1 - 10 percent growth; 10-20 percent growth; and more than 20 percent growth. Micro and small firms reported greater negative pandemic effects in 2020. Medium businesses were the least affected by the pandemic, followed by large businesses. There was also a response for "we did not yet exist as a business in 2019," and micro businesses were the most likely to respond with this compared with firms of other sizes.

Figure 8: This figure shows surveyed firms' expected revenue growth in 2021. As in Figure 7, the firms are broken down into micro (0-9 employees), small (10-99 employees), medium (100-249 employees), and large (250+ employees). The response options for expectations in 2021 were: over 20 percent strong growth; 10-20 percent growth; 0.1 percent-10 percent growth; 0 percent; negative 0.1-10 percent, company will shrink; negative 10-20 percent, company will shrink; negative greater than 20 percent, company will shrink. There was also a response option for firms that did not exist in 2020. The figure shows that micro businesses were likely to experience the greatest negative effects, followed by small, then medium, then large businesses. Almost 25 percent of micro businesses reported a more than 20 percent revenue loss for their business.

Figure 9: This figure shows the surveyed firms' assessment of COVID-19 damage on key performance indicators by firm size. Firms are broken down into micro (0-9 employees), small (10-99 employees), and medium (100-249). The response options were: decreased a lot; decreased some; grew some; and grew a lot. From the data, the hardest-hit key performance indicator was domestic sales, followed by international sales.

Figure 10: This figure shows the surveyed firms' use and adoption of payment methods from domestic customers in response to COVID-19, by firm size and method. Figure 10 shows that from before to during the pandemic, cash and check were the most popular forms of payments for micro and small firms. For medium and large firms, checks, followed by credit cards, have been the most used forms of payment. Use of mobile payment tools increased during the pandemic for many medium and large businesses but was slower to be adopted by micro and small businesses.

Figure 11: This figure shows surveyed firms' use and adoption of payment methods from international customers in response to COVID-19, by firm size and method. The data show that bank wire was the most popular form of payment for international customers across firms of all size, before and during the pandemic. Medium and large businesses received payments from international customers through credit and debit cards, respectively, for their second most popular form of payment before and during the pandemic. Cash was still the second most popular method of payment for micro firms before and during the pandemic.

Figure 12: This figure shows surveyed firms' use and adoption of marketplaces in response to COVID-19, by firm size and marketplace in Dubai. These included social media platforms (Facebook, Twitter, WhatsApp, etc.), websites, and other online marketplaces (eBay, Amazon, Shopify). Small, medium, and large businesses were most likely to use their own website before and during the pandemic. WhatsApp was the most popular online platform for micro businesses before and during the pandemic. Facebook and Instagram were also popular responses by firms of all sizes for platforms they used before and during the pandemic.

Figure 13: This figure shows surveyed firms' assessment of assistance received in response to COVID-19, by firm size. Firms were asked whether they had received assistance and whether it had been helpful in the following categories: loans; better digital payments; cybersecurity capabilities; better internet connections; digitize our sales and services; digitize our workflows and set up teleworking; help to get our clients to come back; pay back our loans; diversify our products/ services; grants; open bank accounts; export to new markets; new insurance products. Responses show that medium businesses (100-249 employees) were most likely to have received assistance and most often used it for digitizing sales and service or creating better digital payment methods. Small businesses (10-99 employees) were more likely to use the assistance they received to help with loans or getting their clients to come back. Micro businesses (fewer than 10 employees) received the least assistance, but when they did they found it most helpful in getting better internet connections or better digital payments. The figure shows a large disparity between micro, small, and medium businesses, with medium businesses receiving almost double the amount of assistance micro businesses received.

Figure 14: This figure shows the needs in the next 3-6 months for surveyed micro, small, and medium firms. Firms were asked to rank the following categories: clients to come back; digitize sales; better internet connections; diversify products; better digital payments; export to new markets; cybersecurity capabilities; pay back loans; digitize workflows; new loans; grants; new insurance products; open bank accounts. The top response across all firm sizes was for clients to come back; more than 60 percent of surveyed firms responded that that was needed a great deal. Diversifying products and services was the second most popular response for micro and medium businesses and the third most popular response for small businesses. One of the least popular responses for firms of all sizes was opening new bank accounts.

Figure 15: This figure shows the surveyed firms' needs in the next 3-6 months based on digital capabilities, by firm type. This figure compares offline sellers, social sellers, firms with their own online stores, and marketplace sellers. Firms were asked to rank the following categories: clients to come back; digitize sales; better internet connections; diversify products; better digital payments; export to new markets; cybersecurity capabilities; pay back loans; digitize workflows; new loans; grants; new insurance products; open bank accounts. Across the board, the most popular response was for clients to come back; more than 50 percent of participants responded that that was needed a great deal. Diversifying products and services was the second most popular response across all firms. Some of the least popular responses included opening new bank accounts, new insurance products, and grants.

Figure 16: This figure shows surveyed firms' plans to leverage digital capabilities and change business models for micro, small, and medium firms. Firms were asked to rank the following categories: expand our digital marketing; start new lines of products or services; continue doing what we already do; use more digital payments; do more teleworking; increase e-commerce sales; start using online platforms such as Amazon; take out fewer loans from online lenders and credit; end some lines of products or services; close one or all of our stores/physical offices; borrow from online lenders and use digital financing. Responses varied by the size of the firm, however, "continue what we already do" was one of the top three responses for all firm sizes and "close one or all of our stores/physical offices" was one of the last responses for all firm sizes.

Figure 17: This figure reflects a breakdown of respondents by firm size. 28.6 percent of respondents were firms with 0-9 employees; 27 percent of respondents were firms with 10-49 employees; 17 percent of respondents were firms with 50-99 employees; 11 percent of respondents were firms with 100-149 employees; 6 percent of respondents were firms with 150-249 employees; 10.5 percent of respondents were firms with 250+ employees.

Figure 18: This stacked bar chart represents respondents by age of firm. Thirteen percent of respondents had been working at the firm for 0-2 years; 23 percent of respondents had been working at the firm for 3-5 years; 27 percent of respondents had been working at the firm for 6-10 years; 37 percent of respondents had been working at the firm for over 10 years.

Figure 19: This stacked bar chart represents respondents by industry sector. Thirteen percent of firms were in food products; 14 percent of firms were in clothing and footwear, 13 percent of firms were in electronics; 14 percent of firms were in beauty and accessories; 6 percent of firms were in home décor/ crafts, home and garden; 17 percent of firms were in office, machinery, or medical equipment; 12 percent of firms were in IT services; 28 percent of firms were in professional services (e.g.: consultancy, legal, logistics, health); 16 percent of firms were in engineering and logistics services; 14 percent of firms were in food and accommodation services. Nearly 20 percent of firms selected participating in more than one sector.

About Visa Inc.

Visa Inc. (NYSE:V) is the world's leader in digital payments. Our mission is to connect the world through the most innovative, reliable, and secure payment network—enabling individuals, businesses, and economies to thrive. Our advanced global processing network, VisaNet, provides secure and reliable payments around the world, and is capable of handling more than 65,000 transaction messages a second. The company's relentless focus on innovation is a catalyst for the rapid growth of digital commerce on any device for everyone, everywhere. As the world moves from analog to digital, Visa is applying our brand, products, people, network, and scale to reshape the future of commerce.

For more information, visit About Visa, [visa.com/blog](https://www.visa.com/blog) and @VisaNews.



Visa Economic Empowerment Institute

