

Arab entrepreneurs need to forget what they learned in school



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Souq.com, Fetchr, Careem. What do all these names have in common? They're all Arab-born startups that have become household names in the region. Today, they are joined by leagues of young businesses seeking to share their innovations with the Arab world.

Just mere years ago, the concept of so many startups cropping up in such a short span of time was unprecedented. Is something changing?

A healthy startup ecosystem?



At this year's TAKminds forum in Kuwait, *AMEinfo* spoke to Australian businessman and entrepreneur Romy Hawatt, where he participated in the panel 'Cities of today, talents of tomorrow.' He operates in Dubai and is best known for cultivating innovation and transforming start-up and fledgling businesses into successful multi-million dollar commercial projects.

In his opinion, the startup ecosystem in the MENA region is "getting healthier."

"It was almost non-existent," he said.

Fellow panelist and entrepreneur Khaled Janahi echoed this sentiment, telling *AMEinfo* that "the [startup] ecosystem is not fully formed in our part of the world."

"People with good ideas in the Middle East in years, and I'm talking in *years* gone by, were left to their own devices," Hawatt recalled. "They used family support, mortgaged their homes, or whatever the case were – there were no formal processes, no private equity really that would support them, no incubators and the like."

Today, the landscape is quite different.

"But, the markets have matured. I mean, the education systems have promoted pathways. People have become more sophisticated in their thinking, more and more educated people following what's actually happening. And, I think, a lot more people are prepared to speculate on ideas."

Indeed, just 2 months ago, US tech news site Tech Crunch brought its world-famous startup competition to the Middle East, hosting its Startup Battlefield event in Lebanon. Fifteen MENA startups competed for a \$25,000 prize, along with continued support and mentorship from Tech Crunch. Could such an event have found interest in the Middle East just a few years ago?

Probably not.

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The MENA startup ecosystem has some ways to go

When asked about who he believes is in the greatest position to support startups in the region, Hawatt said, “It’s everybody. It’s a collective. It doesn’t fall into the responsibility of any one department or any one person. It’s a collective thinking.”

During the panel, Hawatt had discussed the need for a “change in mindset.”

“I think that’s actually happening,” he said. “I think everybody is recognizing it.”

The region has been known to suffer from a major ‘brain drain’ problem.

Khaled Janahi gave an example of this: “We have a lot of good ideas from people in this part of the world, but they’re launching them in [Silicon Valley] and then coming here.”

This mindset change that will reshape the ecosystem needs to happen “across the board,” Janahi said. This includes a change that stems all the way back to the traditional thinking of Arab households, which put great emphasis on secure, employee jobs rather than on taking risks and encouraging entrepreneurship.

READ: Tech Crunch’s Startup Battlefield comes to MENA

Dubai: A model entrepreneurial city?

Hawatt highlighted a beacon of hope for startups and entrepreneurship in the Middle East: Dubai.

“A place like Dubai is extremely entrepreneurial,” he said. “The government is very progressive.”

“Dubai is a place where you can have a shot at any idea. From a little stall on the beach walk, to some innovative idea, to flying drones. They’re training the Dubai police on the drones, the motorcycle drones. This is progress.”

This could very well be Dubai’s answer to the American Dream.

Surprisingly, Hawatt explained that the strict controls and regulations back home wouldn’t allow for such freedom for innovation: “In Australia, you couldn’t do it. All the work and safety issues involved – every barrier in the world would come up.”

“We have a benevolent ruler that can say, ‘right, this is a great idea, do it. Go for it,’” he concluded.

“That is kind of what differentiates Dubai from many other parts of the world. I see it as the most progressive place of all.”