

Cities of Opportunity 2014

Dubai

**A strong #16
returns to
the study**

**Lowest tax
rate
globally**

Cities of Opportunity 6 analyzes the development of 30 global cities, and through their performance seeks to add insight on the policies and actions that make cities function best.

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A strong #16 returns to the study/ Lowest tax rate globally

Dubai returns to Cities of Opportunity, replacing Abu Dhabi and finishing 16th out of 30 cities. The city performs remarkably well across several indicators, with top 10 scores in almost a quarter of the variables and 1st place in 3, demonstrating the range and depth of its strengths.

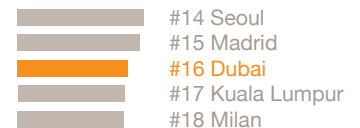
The 5th most affordable global city and #8 as an urban gateway

Dubai's greatest advantage is cost-effectiveness, offering better value than most developed or emerging cities. It:

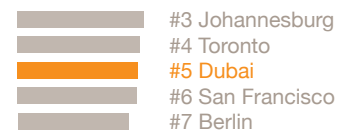
- Ranks 1st for lowest total corporate tax rate;
- Finishes 10th in cost of living;
- Slips just outside the top 10 for the iPhone index at #11 (working hours needed to buy an iPhone 4s) and purchasing power (#13); and
- Ranks 17th in cost of business occupancy.

Dubai's cost advantages are reinforced by its 8th-place finish as a city gateway. It ranks 1st in the efficiency of connections between its airport and central business district and 8th in international tourists, just behind Paris. It also scores in the top half of cities for the quality of its major airport, timeliness of flight departures (both #12), and passenger flows (#13).

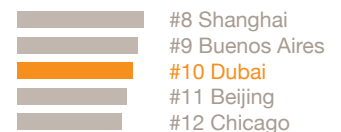
Overall



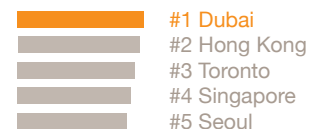
Cost



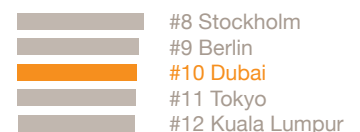
Cost of living



Total corporate tax rate



Transportation and infrastructure



#10 for transportation and infrastructure

Dubai also finishes in the top 10 for transportation and infrastructure. In addition to scoring 1st in construction activity (ahead of São Paulo, London, and Toronto) and 7th in housing (beating London, Chicago, and Stockholm), it ranks:

- 11th in number of licensed taxis;
- 16th in cost of public transport; and
- 19th in overall quality of its public transport.

Dubai's residents have a relatively easy commute, scoring 7th in that variable (taken directly from PwC's survey of its global staff) and tying Berlin, Nairobi, and Kuala Lumpur for 8th in traffic congestion.

Healthy potential for future investment and growth

Although Dubai ranks #19 and #20, respectively, in ease of doing business and economic clout, it lands in the top 10 in 4 important variables in those indicators, including:

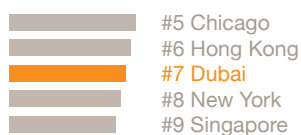
- #4 in FDI;
- #7 in GDP growth;
- #8 in employee regulations; and
- #10 in ease of starting a new business.

Dubai also has the 2nd highest working-age population, which translates into a robust workforce.

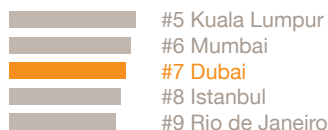
Low crime

Dubai not only scores ahead of all emerging cities for its low crime rate, but also beats out every mature non-Asian city at #4. Within the overall health, safety and security indicator, Dubai scores in the middle of the board at #15, while also ranking #12 for its health system (outscored all US cities) and end of life care.

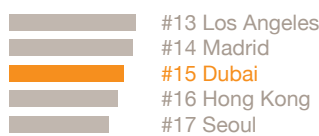
Ease of commute



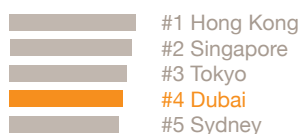
Rate of real GDP growth



Health, safety and security



Crime



Room for improvement: Sustainability and intellectual capital

Dubai's weakest performance is in sustainability and the natural environment, ranking last out of our 30 cities. Although it obviously has to contend with an extreme climate, the city can take several measures on its own—in public park space and recycling, for example—which would improve its scores. It should be mentioned as well that Dubai ranks #27 in mass transit coverage, which does not help the city's sustainability.

An improved focus on intellectual capital and innovation and technology readiness, which would take advantage of the city's vibrant economy, is the other urgent task. Although Dubai nears the top 10 in both intellectual property protection (#11) and entrepreneurial environment (#12), its public library facilities (#24), math/science skills (#22), and population with higher education (#20) seem to reflect an educational framework in need of some support. Nonetheless, its 8th-place finish in Internet access in schools is encouraging and points the way to improving its scores in its digital economy (#17) and broadband quality (#28).