

Government of Emirate of Dubai – Department of Economic Development

The SMART Finance Solution facilitates rapid payment of SME suppliers using Citi Purchasing Cards

Case Study

The Client The Department of Economic Development (DED) is the government body entrusted to set and drive the economic agenda of the emirate of Dubai. The DED supports the structural transformation of Dubai into a diversified, innovative service-based economy and aims to improve the business environment and accelerate productivity growth.

The Department of Economic Development (DED) and its agencies develop economic plans and policies, identify and support the growth of strategic sectors and provide services to domestic and international investors and businesses.

Given its mission to support small and medium-sized enterprises (SMEs), DED has an extensive supplier base in the UAE. Historically, the release of funds from Dubai Department of Finance (DOF) to government entities (including DED) for supplier payments was slow and delayed.

The Challenge As part of Dubai's initiative to become the "Smartest City in the World" and improve the Emirates' competitiveness rating, DED sought an innovative solution that would increase efficiency and drive its digital agenda. DED wanted to overcome the challenges faced by its suppliers in order to improve its relationship and encourage other SMEs to work with DED.

The Solution Implementing Citi Master Merchant Solution ensures that government can pay suppliers almost immediately, providing suppliers (mostly SMEs) with quicker access to funds while improving efficiency and control for DED and its suppliers.

Innovation improves suppliers' efficiency and liquidity as the Master Merchant concept allows suppliers to be paid using cards without requiring a direct tie-up for merchant acquirer services, which can be expensive and impractical for SMEs. Transforming accounts payable from a cost centre to a profit centre by paying its suppliers early, the solution not only enhances DED's relationship with suppliers but also enables it to negotiate discounts on goods and services.

The Result DED pays supplier efficiently and on time using Citi Purchasing Card solution and helps the government's drive to become the smartest city in the world.

For DED, it simplifies, standardises and improves the efficiency of payments and purchase order processes. It delivers significant financial benefits given that Purchasing Cards have no transaction costs, unlike the momentum of the ongoing efforts in the region to support local businesses and facilitate their growth," says Al Marri. "We perceive this project as a vital driving force behind the economic development of the emirate."