

Grand Visions: The New Face of MENA



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When plans were unveiled to build a palm-shaped island off the coast of Dubai in 2001, international investors dismissed it as a mere mirage. Building a luxury tourism destination in the middle of the desert, on reclaimed sand in the socially conservative United Arab Emirates (UAE) seemed utterly impossible. Today, what was once considered ludicrous has become a reality—Dubai now ranks among the top five cities for global tourism, and the iconic Palm Island is joined by The World Islands archipelago, while Jebel Ali's second palm-shaped development has emerged between Dubai and Abu Dhabi.

The Middle East and North Africa (MENA) region has delivered on a series of audacious grand visions: A World Expo hosted by Dubai, Qatar's successful hosting of the 2022 World Cup and Saudi Arabia's trillion-dollar Vision 2030 investment project (See [Saudi's Inner Focus](#), December 2024) to transform its economy. While these achievements capture headlines, only dedicated investors have followed the long arc of development that has laid the groundwork for a new MENA. The current deluge of investments, along with strategic initiatives and investor-friendly reforms, promises to accelerate the region's transformation, presenting many opportunities. We think investors should take notice.

Financial Services Evolution

The expansion of MENA's financial landscape tells a similar tale of patience and adaptation. Historically, sovereign wealth funds dominated financial discussions in the region, primarily exporting capital for investments outside the Middle East. In the early 2000s, the idea of becoming a global financial hub seemed improbable with cities like Hong Kong, London, New York and Singapore firmly controlling international banking.

Yet, external shocks have dramatically changed this narrative. The uncertainties surrounding Brexit and disruptions caused by the Covid-19 pandemic created opportunities for agile newcomers. Middle Eastern financial centers opened their doors with favorable regulatory models, easy visa

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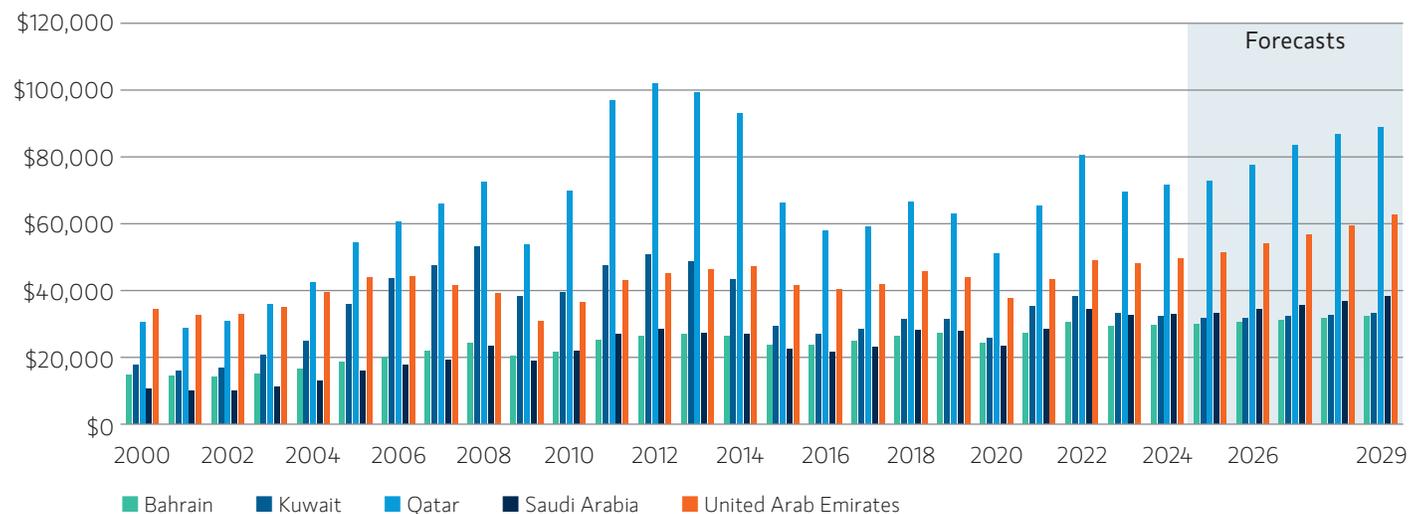


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DISPLAY 1

MENA Wealth Is on the Rise

GDP per capita, current prices (U.S. dollars)



Source: IMF. As of 2024. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass.

processes and lifestyle incentives to attract expatriates from all over the world. As countries reopened post-pandemic, the region's vision of becoming a financial center is quietly being realized while its gross domestic product (GDP) bounced back from 2020 lows (see *Display 1*).

Technology and AI

Abu Dhabi is embarking on an ambitious plan to become the world's first government fully powered by artificial intelligence (AI) by 2027. The emirate has allocated \$13 billion to enhance digital infrastructure, fully automate government processes and integrate cloud computing across all operations.

In parallel, Saudi Arabia is making significant strides to position itself as a global technology hub. The Kingdom's energy abundance has positioned it well for data centers, and semiconductor manufacturing will become the next important investment. At the LEAP 2025 Conference, the Kingdom announced \$15 billion in investments to advance its AI and data infrastructure sectors. These include a joint venture between

Saudi Arabia's Public Investment Fund and Google to build an AI hub in Dammam, in the Eastern Province, while DataVolt unveiled a \$5 billion deal to develop a sustainable AI data center in the floating city of Oxagon, in the northwest of Saudi Arabia.

Strategic partnerships will also bring opportunities to the region. China's Belt and Road Initiative, a global infrastructure strategy aimed at enhancing its trade and influence, is expanding into the MENA region. Investments include Egypt's satellite development hub, including satellite assembly, integration and testing center, and Oman's space launch projects, strengthening the region's role in advanced technology and logistics.

Tourism and Diversification

Since Saudi Arabia's Crown Prince Mohammed bin Salman launched Vision 2030 in 2016, the Kingdom has made remarkable progress to introduce reforms designed to diversify its economy away from oil. The government has allocated about \$1.2 trillion for projects such as The Line, a

planned linear megalopolis, that would stretch across 450 kilometers of the northwest Saudi coastline, and the Red Sea Project, a 50-resort portfolio investment in technology-led tourism.

The country, which didn't issue nonreligious tourist visas until 2019, now aims to attract 70 million international visitors by 2030. To support this growth, a new national airline, Riyadh Air, is set to launch later this year. Sports and entertainment, once restricted, are now ubiquitous. WWE wrestling events, Formula 1 races and WTA tennis draw massive crowds. The Kingdom, leveraging its youthful population, is also rapidly emerging as a global player in gaming and Esports.

The UAE has also undertaken efforts to diversify its economy. The country's strategic location, at the crossroads of Africa, Asia and Europe, facilitates access to global markets, making it an attractive destination for multinational companies looking to establish a presence in the region.

Ras El Hekma, a pristine coastal gem nestled on a wedge of land jutting off Egypt's Mediterranean coast, is another

area rapidly emerging as a premier tourist destination. The UAE signed a \$35 billion deal, the biggest land sale in Egypt's history, to build homes, hotels and shopping centers in an area covering 170 square kilometers.

Population Tailwinds

The MENA region, home to about 500 million people, is on track to nearly double by 2050. This rapid growth is driven by a predominantly young demographic, with nearly half the population under the age of 24, a dynamic workforce that will steer innovation and consumption. This tech-savvy and digitally connected generation is expected to accelerate growth in sectors such as e-commerce, fintech and digital infrastructure. The

Gulf Cooperation Council countries also stand out for their large and rapidly growing expatriate population, further contributing to economic diversity and competitiveness.

At the same time, women are emerging as powerful economic drivers, reshaping market dynamics through increased access to education and employment. As their financial independence increases, so will demand in industries such as fashion, beauty, technology and real estate. This shift is particularly evident in the e-commerce sector, where women are playing a leading role as both consumers and entrepreneurs, leveraging digital platforms for engagement and commerce.

Conclusion

MENA nations are making significant investments in infrastructure, urbanization and economic diversification to future-proof their economies. Unlike many middle-income nations, they have a proven track record of executing large-scale projects.

The region is positioning itself as a hub of innovations and diversification, actively expanding beyond the fossil fuel sector, unlocking new opportunities in technology and finance. These strategic visions are poised to accelerate digital transformation and cater to a young, ambitious and increasingly affluent population—designed to ensure sustainable economic growth in the decades to come.

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