

The background of the slide is a photograph of two business professionals, a woman and a man, sitting at a desk and looking at a laptop. The man is pointing at the screen. The scene is dimly lit with blue tones. A large, semi-transparent world map made of white dots is overlaid on the right side of the image.

Capturing opportunities today, reinventing for tomorrow

28th Annual CEO Survey:
Middle East findings

Snapshot of the Middle East findings

01

Resilient GCC economies spark optimism amid uncertainty

90%

of GCC CEOs are confident about growth in their company revenue over the next 12 months

77%

of KSA CEOs and 80% of UAE CEOs confident in economic growth in their territory

61%

of regional CEOs expect to increase headcount within 12 months, although 34% of GCC CEOs cited skills shortages as a major concern

40%

of GCC CEOs cited that cyber risk is the top threat for the next 12 months, followed by geopolitical conflict

02

Reinvention, urgent - accelerated by AI, climate and regulation:

60%

of regional CEOs think their businesses will not be viable within 10 years or less without adaptation, with the majority citing regulatory change as a major factor

70%

of GCC CEOs believe GenAI will increase profitability within 12 months

79%

of regional CEOs have initiated climate friendly investments in the last five years

03

Industries converge and compete over new domains of growth:

72%

of regional CEOs expect to do a deal outside of their industry or sector in the next three years

53%

of regional companies have targeted a new customer base within the last five years


43%

of regional CEOs are already competing in new sectors or industries





Foreword



Our annual survey of CEOs globally and across the Middle East reflects the collective voice of business leaders - offering valuable insights into the opportunities they see, the challenges they face and the path forward. This year we captured more responses than ever before, with almost 300 CEOs sharing their views. In our region, hearing these voices has never been more important, as we grapple with the profound megatrends of climate change and technological disruption, increasing regulation and an evolving geopolitical landscape.

What we've heard is clear: CEOs in our region are among the most confident globally about economic growth in their territories and their own revenue growth in the coming year, with many planning to expand their workforces. Businesses here are already investing in new technologies and strategies, particularly around AI and sustainability; and with the region amplifying its voice in the global climate conversation, there is a clear commitment to driving sustainable growth.

However, for these leaders, the urgency to reinvent is clear. A striking 60% of regional CEOs now believe their businesses will not survive 'within the next 10 years or less' without significant adaptation - a notable increase from last year, when less than half expressed similar concerns.


CEOs in the Middle East recognise that traditional models of business are increasingly unsustainable in the face of transformative catalytic shifts. Alongside the climate crisis and AI-driven disruption, they also recognise there is a battle to capture value in new domains as industry lines blur and companies face fierce new competitors, reshaping market dynamics. These are forcing CEOs to rethink how they can innovate to secure that ever-critical advantage. The imperative is evident: CEOs must balance the opportunities of today while also reinventing their businesses for tomorrow.

I want to sincerely thank the chief executives who provided their valuable time in participating in this survey. The rich insights provided have enabled us to chart a clear picture of the opportunities and challenges shaping the future of business in our region.



Hani Ashkar

Middle East Senior Partner
PwC Middle East



01

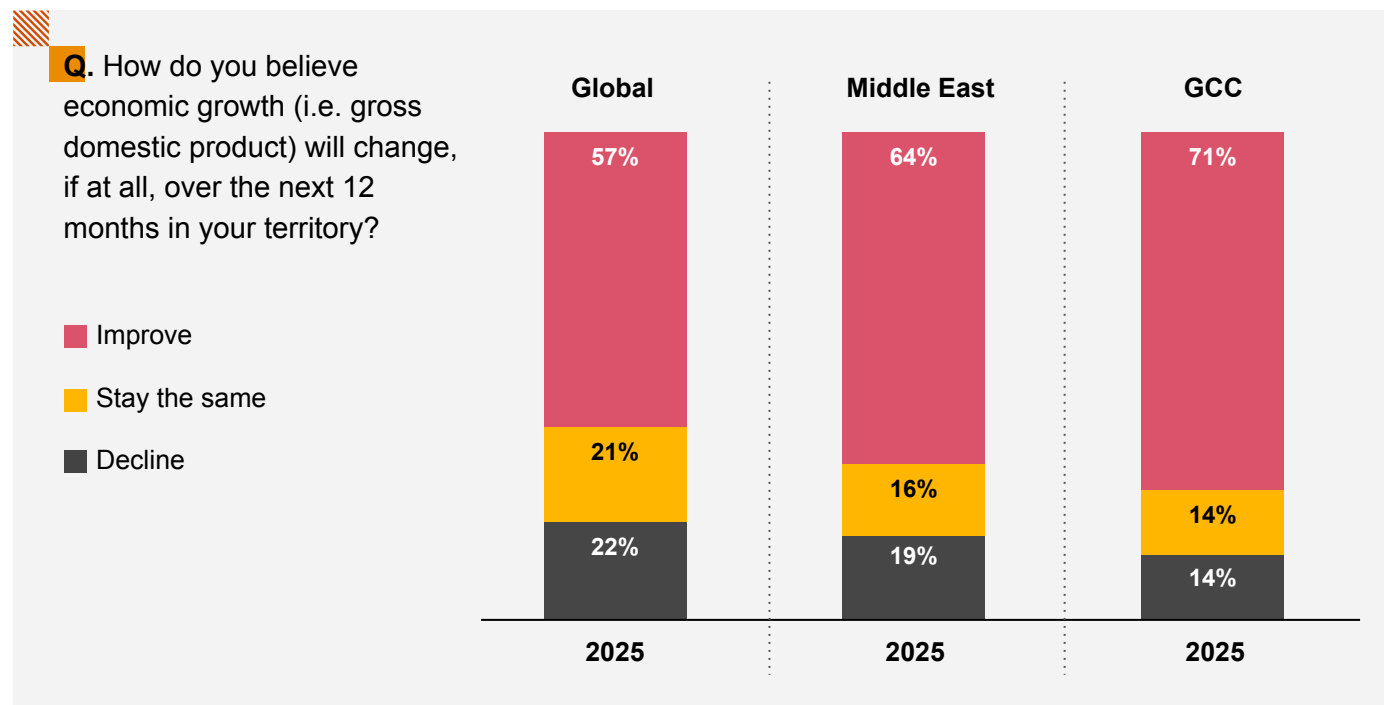
**Resilient GCC
economies spark
optimism amid
uncertainty**



Resilient GCC economies spark optimism amid uncertainty

CEOs in the Middle East remain among the most confident globally about their company's revenue growth and the region's economic outlook for the year ahead, despite the geopolitical unrest unfolding in 2024.

According to the regional findings of our 28th PwC Annual Global CEO Survey, based on responses from chief executives representing 11 countries across the Middle East, this sentiment is the strongest amongst CEOs in the Gulf Cooperation Council (GCC) countries, with 90% optimistic about short-term revenue growth over the next 12 months. 71% of CEOs in these countries also indicate optimism in their own territory's economic growth - ahead of their peers in the wider region and globally - with 80% of CEOs in the UAE and 77% in Saudi Arabia forecasting economic growth in the next 12 months, followed by CEOs in Oman (69%) and Qatar (63%). Expectations of growth from CEOs globally when talking about their own territories sat at a more modest 57%.



Note: Percentages may not total 100% due to rounding.

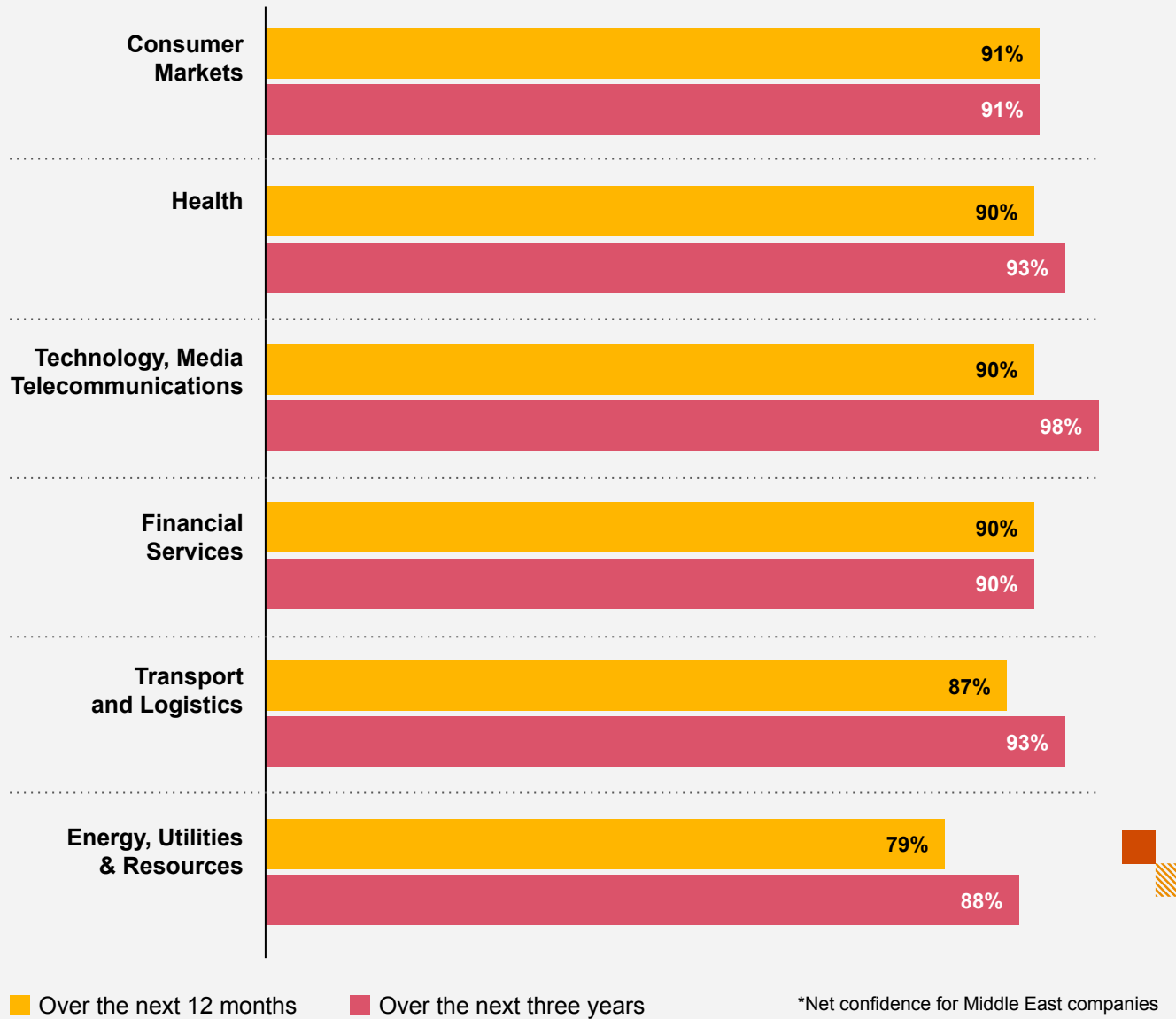
Unsurprisingly, in the wider Middle East, confidence is lower than in GCC countries as the economic impact of regional conflicts have extended to neighbouring countries, such as Jordan, Egypt and Lebanon. Jordan recorded a 6.6% year-on-year decrease in tourist arrivals through August due to its proximity to conflict zones in the region, while there was a 62% drop in Suez Canal revenue in Egypt as a result of the reduction in Red Sea traffic in the first half of this year.¹

Despite its proximity to regional conflicts and ongoing challenges from inflation and the currency crisis, Egypt, however, has experienced a remarkable economic turnaround this year, with a US\$35bn investment from the UAE providing a major boost. This has supported the implementation of critical reforms, including the liberalisation of the currency regime, which has played a key role in reducing inflation and boosting economic growth.² As a result, 63% of CEOs in Egypt remain optimistic about economic growth in their market. In contrast, only 45% of CEOs in Jordan share this optimism, significantly trailing their regional and global peers.

Looking at confidence through an industry lens, the consumer markets sector is the most confident about revenue growth in the short term (within the next 12 months), while the technology, media, and telecommunications sector leads in confidence over the more medium term.



Q. How confident are you about your company's prospects for revenue growth?*



Richard Boxshall
Chief Economist and
Leader of the PwC
Global Economics
Network

Variations in CEO sentiment across the region reflect the differing growth prospects between the GCC and other territories. While the outlook for the GCC remains stronger, supported by substantial investments in the non-oil sector driving economic diversification and resilience, geopolitical uncertainties and their impact on inflation and supply chains remain a concern for CEOs.

Note: Percentages may not total 100% due to rounding.



Non-oil investment fuels growth



Given the Middle East's investment in the non-oil sectors, its green economy initiatives and technological accelerations, and an emphasis on localisation, it's not surprising that non-oil investment is fuelling growth. Non-oil GDP increases across the GCC averaged 3.7%, easily surpassing the overall economic growth rate of 1.8%.³ This has helped offset the impact of OPEC+ oil production cuts. The Middle East also continues to emerge as a thriving hub for dealmaking, where we see the region's sovereign investment funds playing a pivotal role in driving private equity deal volumes, particularly in emerging sectors as highlighted in our 2024 TransAct Middle East mid-year update.⁴

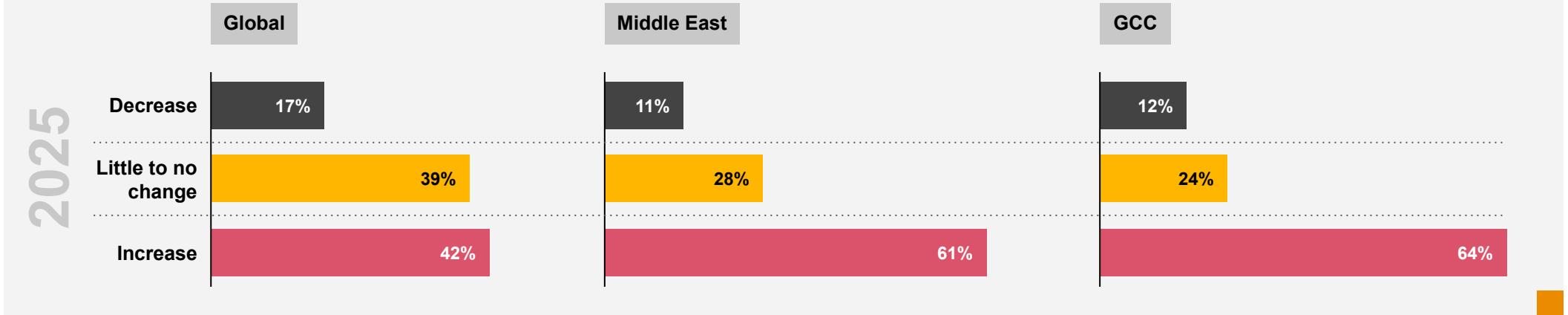
In fact, according to our regional findings, the UAE is the seventh most likely country where global CEOs are planning to invest, outside of their home territory - while within the region, Saudi Arabia, the UAE and Egypt are the top three countries that regional CEOs are planning to invest into outside of their existing territories.

Anticipating revenue increases, CEOs in the region are looking to scale their operations to capture growth opportunities at even higher rates than last year. Our survey data indicates that they are more likely to increase headcount than their global peers: 61% of regional CEOs expect to add headcount within the next 12 months, compared to just 42% globally, and up from 55% in 2024. In the GCC, 64% of CEOs plan to increase headcount, despite a third (34%) citing skills shortages as a major concern. This reiterates the need for organisations to prioritise workplace upskilling to adapt to technological advancements and tackle challenges such as supply chain disruptions, driven by geopolitical tensions and the climate crisis.

From an employee perspective, regional workforce responses to our 2024 Hopes and Fears survey reflect the same sentiment - 63% said technological change, especially the rise of AI, GenAI and robotics, would impact their jobs in the next three years, compared to only 46% globally. Additionally, more than half (54%) of respondents stated that climate change would impact their jobs, compared to 37% globally.⁵



Q. To what extent will your company increase or decrease headcount in the next 12 months?



Note: Percentages may not total 100% due to rounding.

Looking at headcount trends by sector, 70% of CEOs in the healthcare industry plan to increase employee numbers next year, alongside over 60% in consumer markets, transportation and logistics and technology, media and telecommunications. Additionally, more than half of CEOs in the energy, utilities and resources and financial services sectors anticipate workforce growth, reflecting a strong commitment to expansion across key industries.

Confidence in the face of ongoing threats: Geopolitical conflicts, cyber risks and skills shortages

Alongside this picture of varying levels of confidence, Middle East CEOs identified a range of issues set to be top of mind as they approach decisions in the year ahead. Geopolitical conflict (41%), cyber risks (36%) and inflation (30%) were cited as their top threats, while a lower availability of skilled workers emerged as a main concern, particularly for business leaders in the GCC (34%). Notably, inflation, which was the top concern last year at 38%, has now been overtaken by geopolitical conflict as the top risk.

The perceived magnitude of these threats varies somewhat across the region. Geopolitical conflict remains a significant concern, particularly for CEOs in Jordan, where 55% say that their organisation will be 'highly' or 'extremely' exposed to this threat in the coming year, compared to 41% of the regional average.

In the UAE, cyber risks are identified as the biggest threat by CEOs, with 38% of business leaders anticipating high exposure to such risks in 2025. Meanwhile skills shortages are a primary concern for 41% of CEOs in Oman and rank among the top three threats for CEOs in the UAE and Egypt.

Sector-specific concerns include inflation for consumer markets (47%) and health industries (40%), while cyber risks and geopolitical tensions are prominent in transportation and logistics (53%) and technology, media and telecommunications (50%). In the energy, utilities and resources sector, cyber risks (47%) and macroeconomic volatility (39%) dominate concerns, while financial services leaders are worried about technological disruptions (42%) and economic instability (19%).

“The key challenge will be the lack of talent across the board, whether it is in IT, digital, relationship management or compliance. Our only competitive advantage lies with our people, and we must ensure to recruit and retain the best talent.” CEO, Financial Services



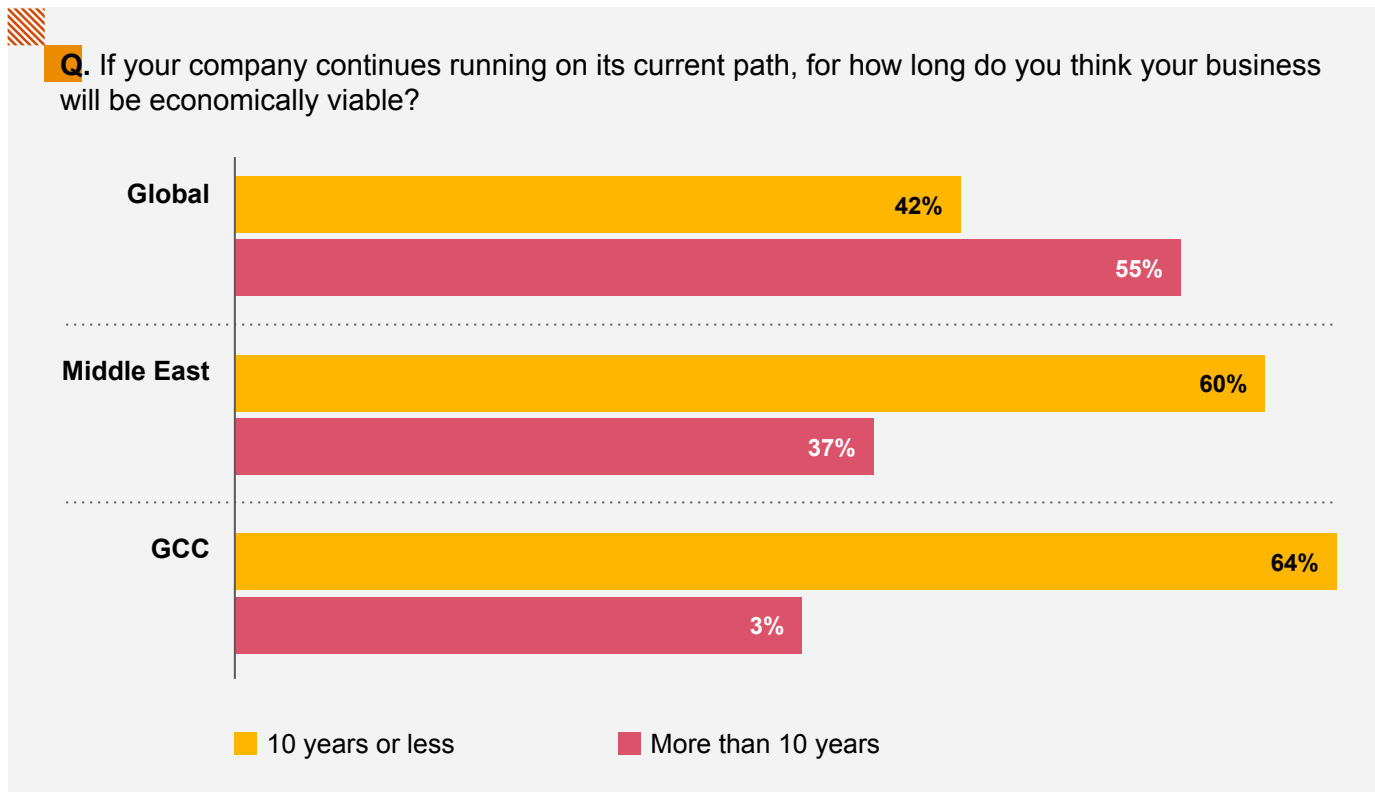
A desert landscape at sunset with a person walking in the distance and a large white text box on the right. The scene is bathed in warm, golden light from the setting sun, which is partially obscured by a large white text box. The landscape features rolling sand dunes and rugged, reddish-brown rock formations. A small figure of a person is visible in the distance, walking across the sand. The sky is a mix of soft pinks and oranges. The text box on the right contains the number '02' in a large, bold, orange font, followed by the text 'Reinvention, urgent - accelerated by AI, climate and regulation' in a bold, black font. There are several decorative geometric shapes in the corners: a white square with a diagonal line pattern and an orange square in the top-left; a striped square and an orange square in the top-right; a striped square and an orange square in the bottom-left; and a striped square and an orange square in the bottom-right.

02

**Reinvention,
urgent -
accelerated by AI,
climate and
regulation**

Despite a robust short-term confidence in business growth among regional business leaders, the impetus to reinvent is stronger than ever this year - and more immediate. CEOs in the Middle East anticipate greater pressure to evolve in the next decade or even less, driven mostly by continuing emerging technologies, climate change, anticipated increased regulation and an intensifying competition over new domains of growth as industry lines blur. They understand that the next decade will bring profound change, and they must be ready to adapt. This sentiment resonates strongly through our survey findings.

Last year, almost half of Middle East CEOs expressed concerns about their organisation's economic viability over the next 10 years if they failed to evolve. This year, our survey reveals an increased urgency to reinvent - 64% of GCC CEOs and 60% of overall Middle East CEOs believe they will need to adapt their businesses in 10 years or less to remain viable. This heightened concern not only surpasses last year's levels but also far exceeds the current global average of 41%.



Note: Percentages may not total 100% due to rounding.

Recognising the significant impact of transformative shifts on the region, CEOs in the Middle East are driven by an urgent need to rethink strategies, looking to embrace innovation and build resilience for sustainable growth. The message is clear: evolve or face irrelevance.

A closer look at key industries in the region reveals that the imperative for reinvention is widely felt. Our survey data indicates that over 70% of CEOs in healthcare industries and the energy, utilities and resources sectors believe their organisations will not be viable within the next decade without adapting. Similarly, more than 60% of leaders in transport and logistics and technology, media and telecommunications share this sentiment.

Additionally, over half of CEOs in consumer markets and nearly half in the financial services sector recognise the same critical need for transformation, reiterating that the need to evolve is no longer a choice – it's a necessity.



So how have business leaders in the region been driving change?

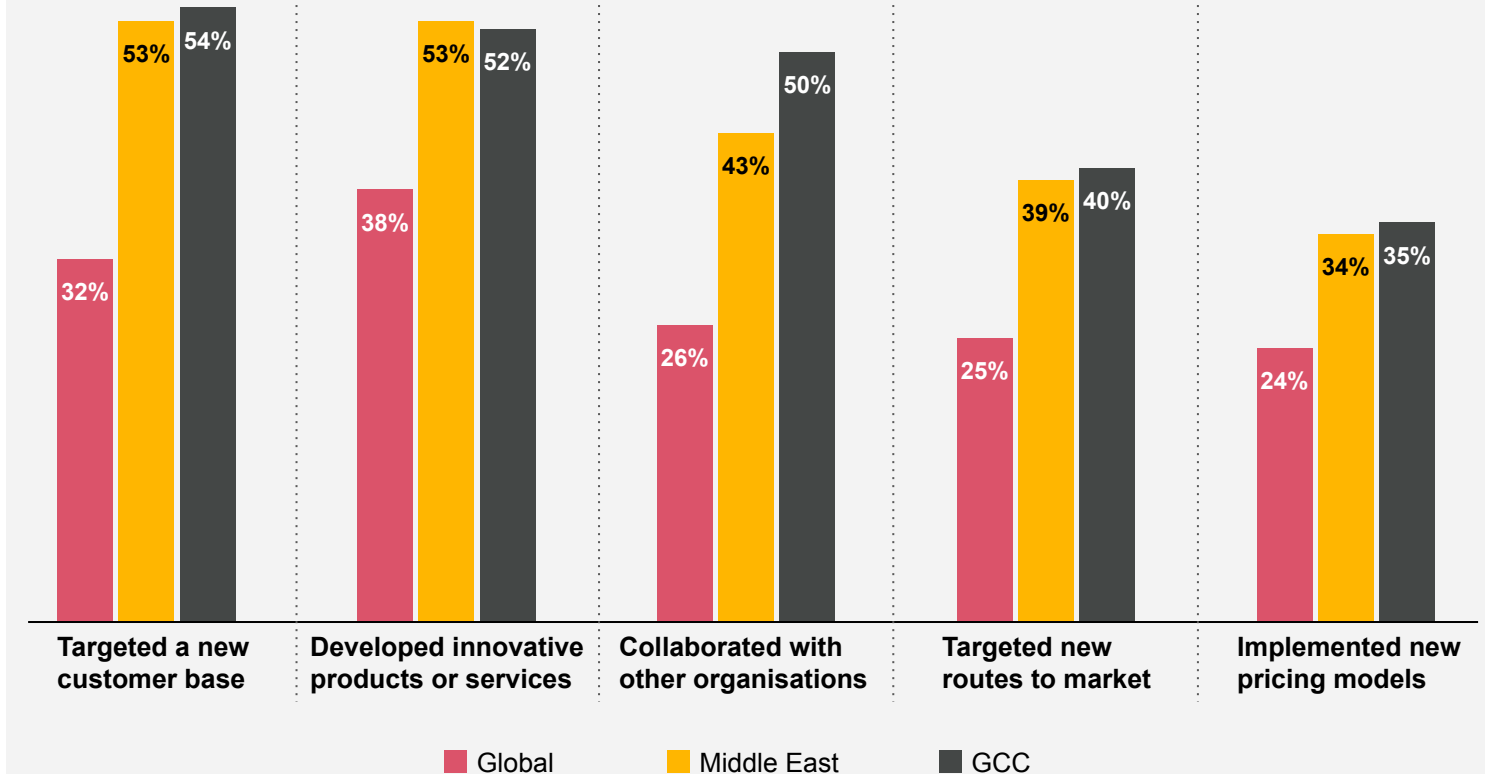
For CEOs in the Middle East, this has been an opportunity to radically transform their fundamental approach to creating, delivering and capturing value. According to our findings, more than half of our regional CEOs have driven change by innovating products and services over the past five years, while 53% have focused on targeting a new customer base to expand their market reach. Examples of such innovation include UAE-based Detectiome's Revonco,⁶ an AI-powered multi-cancer early detection test that is redefining healthcare, and Tabby, MENA's first fintech unicorn,⁷ which is revolutionising financial services in the region.

Additionally, 43% have collaborated with other organisations, 39% have targeted new routes to market and 34% have implemented new pricing models - higher than the global averages. This underscores the fact that regional CEOs have more proactively embraced innovation, diversification and strategic partnerships to ensure their organisations are better equipped for future success.

53%

have targeted a new customer base in the last five years

Q. To what extent has your company taken the following actions in the last five years?



Note: Percentages may not total 100% due to rounding.

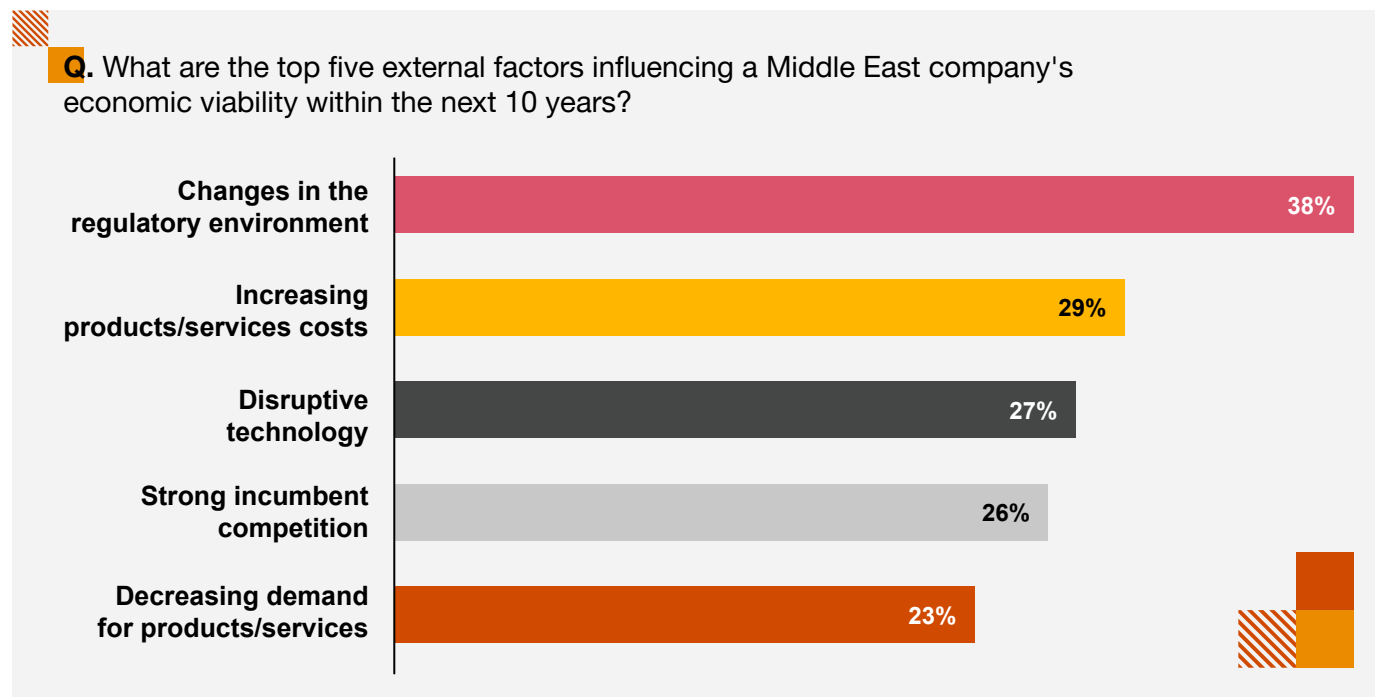
Reinvention is equally critical from an investor's perspective, as they seek to understand how the companies they invest in are navigating crises, strengthening resilience and ensuring long-term value creation. According to PwC's 2024 Global Investor Survey⁸ investors are closely examining the reinvention imperative - especially the adoption of emerging technologies - to assess whether businesses they are investing in are positioned to capitalise on innovative opportunities. Four in five investors who invest in companies in the Middle East indicated technological change as the most fundamental driver compelling companies to rethink how they create, deliver and capture value.

CEOs focus on regulation, strategy and innovation for future viability

For business leaders in the region, anticipated regulatory changes were identified as the most critical external factor influencing economic viability over the next decade or less. Over a third of Middle Eastern CEOs cited these expected changes, compared to 42% globally. Over the next decade, GCC countries are expected to implement significant regulatory changes in the areas of AI, technology and climate, among others. This will be key to shaping future enterprise and will offer transformative opportunities for businesses to drive innovation, enhance competitiveness and achieve sustainable growth. Robust frameworks for AI governance, data protection and cybersecurity will foster a secure environment for technological advancements, while climate-focused policies will enable businesses to leverage sustainability opportunities. The region also anticipates economic diversification initiatives, labour market reforms and trade regulations, including digital trade platforms and free trade agreements that will further reduce barriers, attract foreign investments, and open new markets.

“Compliance with advanced regulations remains essential. Achieving a balance between innovation and regulatory requirements will require a proactive approach to ensure that our initiatives comply with both local and international standards.” - CEO, Technology, Media and Telecommunications

Additionally, almost a third (29%) of CEOs highlighted rising product and service costs as a key external driver for evaluating economic viability, slightly below the global average of 32%. Embracing disruptive technologies was cited by 27% of respondents as another main external driver of economic viability within the next decade, followed closely by strong incumbent competition at 26%. On the internal front, 22% of regional CEOs pointed to a lack of skills as a major factor impacting their company’s potential viability within the next 10 years or less.



Among those Middle East CEOs looking beyond a 10-year horizon, more than half identified a growing demand for products and services as a critical external factor, followed by regulatory changes (52%) and disruptive technologies at (34%).

Internally, more than half (59%) emphasised making bold strategic choices as the most crucial factor for long-term viability, slightly ahead of their global peers at 55%. These strategic decisions will enable businesses to address future disruptions and seize emerging opportunities - enabling them to build resilience in a dynamic regional landscape.

Other key internal factors impacting potential long-term economic viability included organisational efficiency (39%) and having the right skills for a competitive environment (35%), underscoring the need for adaptability and readiness to thrive.

Megatrends redefine industries: AI and climate creating new domains of growth

Ali Hosseini
Chief AI and
Technology Officer
PwC Middle East

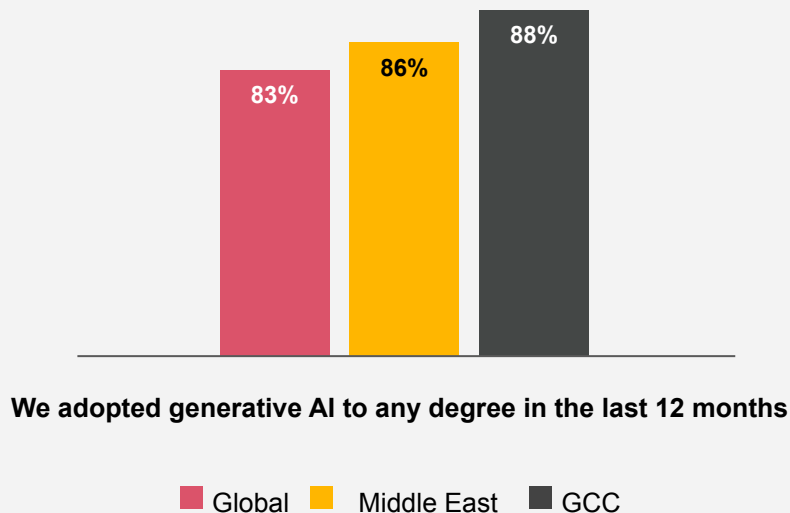
The Middle East has benefited from a high rate of AI adoption and at a greater pace than competitors globally, which has led to increases in time efficiencies, profitability, revenue and a tech-savvy workforce. To maintain their edge, companies need to accelerate AI-led innovation and integration, with a particular focus on GenAI to unlock new value opportunities and be future ready

Middle East countries are adopting Artificial Intelligence (AI) at an unprecedented pace, fuelled by ambitions to diversify economies and build future-ready industries. Business leaders see AI as a transformative catalyst for innovation, with GenAI tools optimising processes and accelerating outcomes. And trust in having AI embedded into key processes is particularly high, with half of GCC CEOs trusting it to a 'large' or 'very large' extent, compared to only one third of their global peers.

This growing confidence is backed by investments by regional governments and private enterprises in AI research, development and innovation hubs, while fostering responsible AI adoption. Saudi Arabia has made substantial progress in the Global AI Index, climbing 17 positions to rank 14th globally, while national strategies have facilitated a deep trust in AI - including the Saudi Vision 2030 and the UAE's National AI Strategy 2031.

Our regional findings also indicate that in the GCC, a notable 88% of CEOs have adopted GenAI in the last 12 months, exceeding global averages and reflecting greater confidence in the technology's potential.

Q. Did your company adopt generative AI to any degree in the last 12 months?



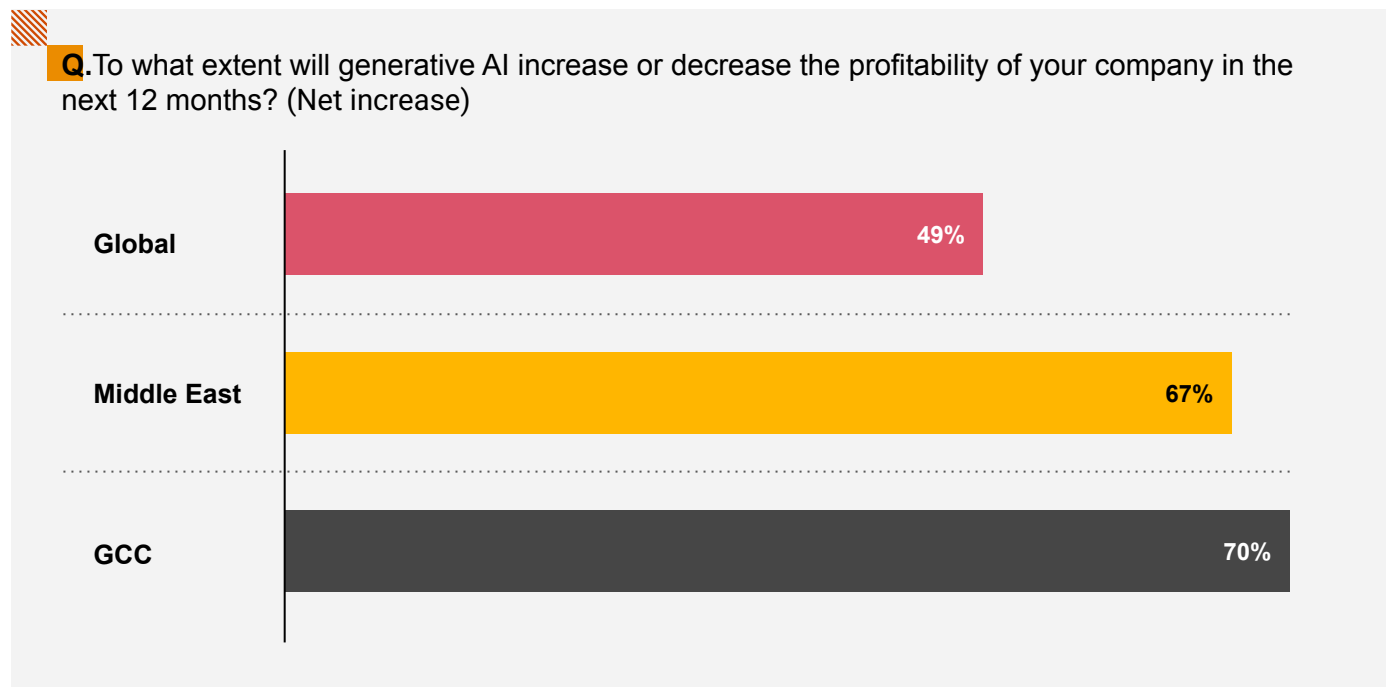
Note: Percentages may not total 100% due to rounding.

In fact, over the next three years, AI, including GenAI, is set to become a core component of technology platforms, business processes, and the development of new products and services in the region. For example, Falcon 3, developed by the Technology Innovation Institute (TII),⁹ delivers high-quality results with low compute requirements, while Jais, a collaboration between G42's Inception and Mohammad Bin Zayed University of Artificial Intelligence (MBZUAI),¹⁰ preserves Arabic heritage and democratizes AI access. In the GCC, 93% of CEOs predict AI will be systematically integrated into tech platforms, compared to 78% globally. Additionally, 90% expect AI to enhance business processes and workflows (vs. 76% globally), 85% to embed it in workforce and skills (vs. 68% globally), and 81% anticipate its use in new product and service development (vs. 63% globally).

This reiterates the agility and proactivity of regional business leaders in adopting AI to drive digital transformation, maintain competitiveness and foster growth. This sentiment is only set to grow stronger, with the region expected to prioritise investments in AI infrastructure, forge global partnerships with leading tech giants, and establish robust data security frameworks to drive sustainable AI growth in 2025.¹¹

GenAI adoption is also rapidly accelerating across industries in the Middle East, with adoption rates exceeding 85% in sectors such as consumer markets, transport and logistics, health industries, energy, utilities and resources, technology, media and telecommunications and financial services within the past 12 months. Trust in embedding AI and GenAI was particularly strong amongst CEOs from the consumer markets, transport and logistics and technology, media and telecommunications industries.

As CEOs in the region embrace GenAI at scale, a striking 70% of business leaders in the GCC have indicated that it will increase profitability in the next 12 months, up from last year - and higher than the global average of just 49%.



This confidence is reinforced by the tangible benefits observed over the past year, with GCC CEOs reporting that GenAI has driven greater efficiencies, increased revenue and profitability, and facilitated job creation.

The most notable findings on GenAI this year were as follows:

01

68% of GCC CEOs acknowledged improved efficiencies in their own time at work (vs. 53% globally) and 63% reported efficiencies in employees' time (vs. 56% globally). In fact, 72% of CEOs in technology, media and telecommunications, 69% in healthcare industries and 65% in financial services have expressed strong confidence in GenAI's potential to enhance employee efficiency.

02

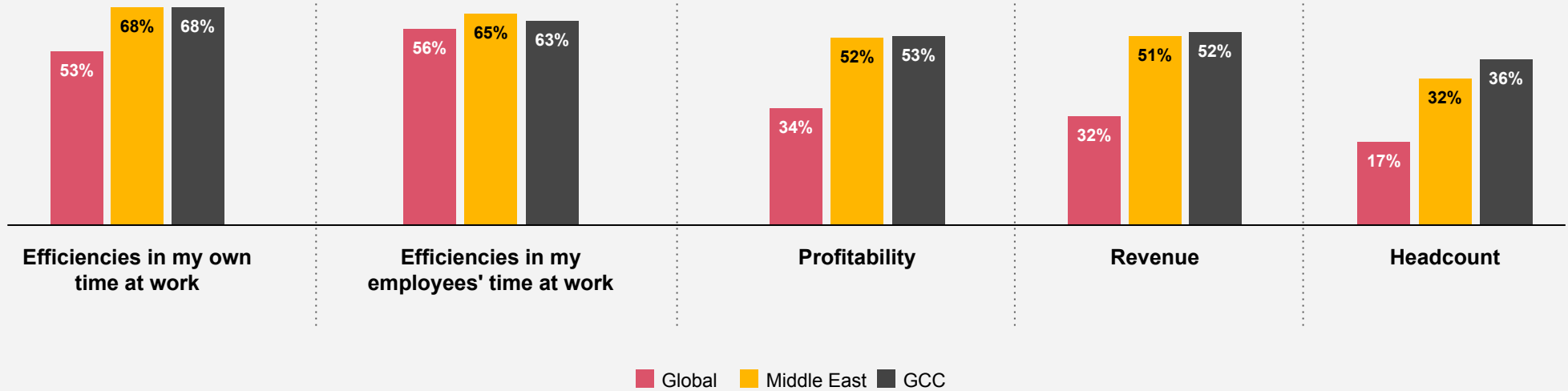
More than half of GCC CEOs reported revenue growth (vs. 32% globally) while 53% saw an increase in profitability (vs. 34% globally).

03

36% of GCC business leaders highlighted job creation through GenAI, more than double the global average of 17%.



Q.To what extent did generative AI increase or decrease the following in your company in the last 12 months? (Net increase)



Note: Percentages may not total 100% due to rounding.

Investor confidence also echoes these findings, with regional data from the [PwC Global Investor Survey 2024](#) revealing that investors remain optimistic about the promise of GenAI - 74% of respondents to this survey believe that GenAI will increase productivity in the companies they invest in or cover in the Middle East, compared to 66% of global respondents believing the same about the territories they are investing in. And 67% of respondents believe that GenAI will increase profitability in the companies they invest in or cover in the region, compared to 62% of global respondents. This optimism aligns with the broader trend of key regional economies positioning themselves as global frontrunners in AI adoption and innovation.

“In the near future, disruptive technologies will drive the economy. The challenge is that we don't know what technologies will come and what disruption they will make. We must be ready to adapt to these new technologies and think out of the box.” - **CEO, Consumer Markets**

67%

of respondents believe that GenAI will increase profitability in the companies they invest in or cover in the region, compared to 62% of global respondents.

Climate change, the other critical megatrend - a powerful catalyst for reinvention

Yahya Anouti
Partner, Strategy & PwC
Middle East Sustainability
Platform Leader

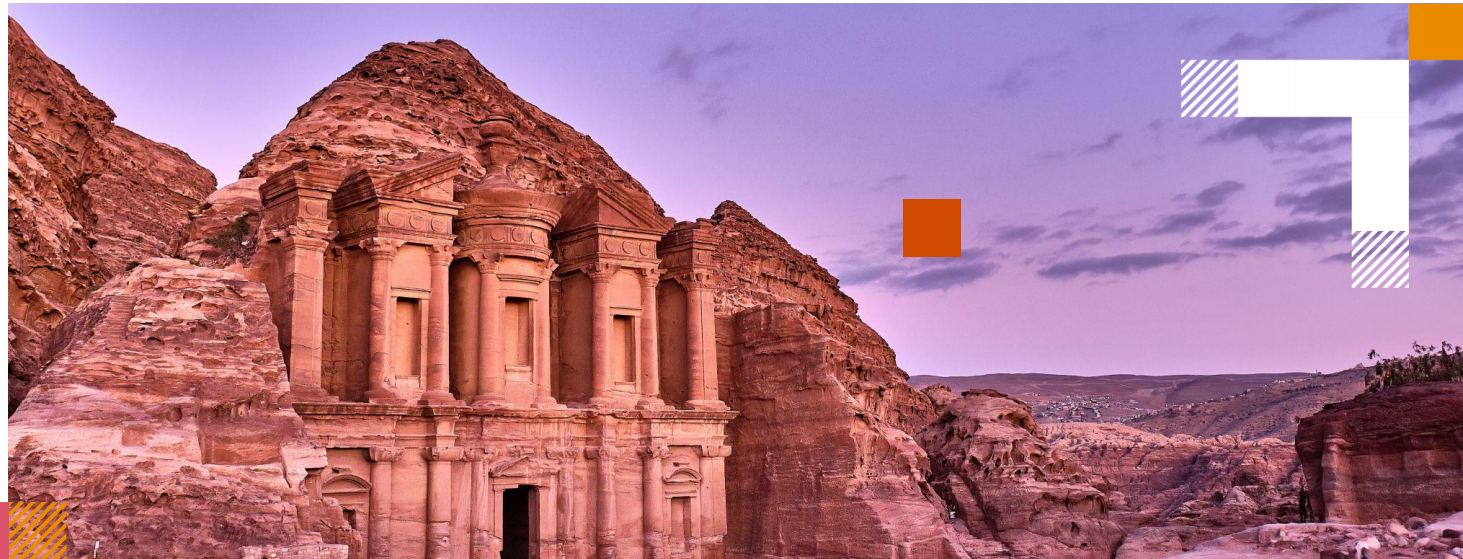
Our survey demonstrates a clear picture for Middle East CEOs: sustainability can drive economic opportunity and deliver measurable benefits. With almost 80% initiating climate-friendly investments in the last five years, the region is proving that bold action on climate can align with profitability. The challenge now is for leaders to accelerate innovation, push boundaries, and turn sustainability into a cornerstone of their competitive advantage.

Climate change, the other critical megatrend, has also been a powerful catalyst for reinvention. Its combination of opportunities and challenges have prompted CEOs to rethink strategies, adopt sustainable practices and position their organisations for long-term resilience and growth. This is evident in our survey findings which indicate that nearly 80% of CEOs in the GCC have initiated climate-friendly investments in the past five years, signaling a positive regional momentum towards sustainability. Notably, we see particularly strong commitments from CEOs in transport and logistics (90%), consumer markets (84%) and financial services (84%) sectors, reflecting a growing focus on sustainable practices in some of the region's fastest growing sectors. The Saudi Investment Bank's debut Tier 1 Sustainable Sukuk Issuance of US\$ 750 million,¹² for example, has been a milestone in the bank's commitment to sustainable finance and reinforces its position as a leader in responsible banking practices in the Kingdom of Saudi Arabia.

In our latest Sustainability in the Middle East report¹³ published in 2024, four in five executives indicated that their companies now have a formal sustainability strategy in place – with more than half saying that this strategy is fully embedded across their organisations.

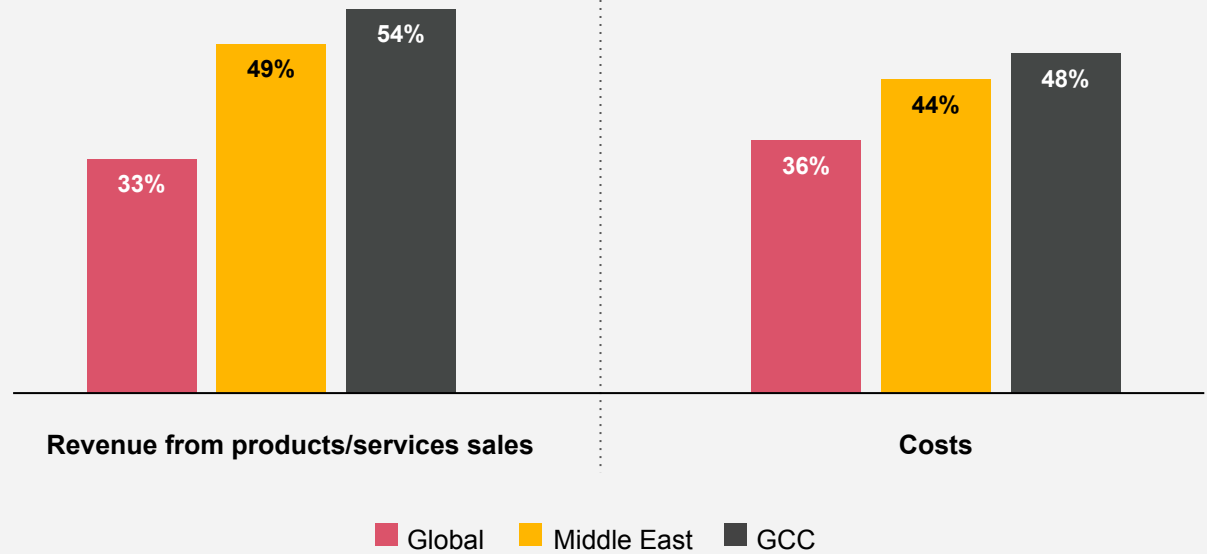
Our regional CEO Survey findings have revealed that for more than half of business leaders in the GCC and nearly half in the Middle East - climate investments are yielding returns that are higher than global averages, despite the high upfront costs. This indicates that there is now a growing acknowledgment among regional CEOs that sustainability can align with profitability and presents an opportunity to explore the factors enabling these higher returns, such as government incentives, technological adoption or strategic investments in renewable energy.

However, the balance between managing costs and maximising revenue continues to pose a substantial challenge for business leaders. When it comes to CEO buy-in on sustainable investments, only 14% of CEOs in the region say they have accepted returns below the minimum acceptable rate for other investments in the past 12 months, compared to 25% globally - the case for the second consecutive year.



And while almost 80% of regional CEOs have made climate friendly investments in the last five years (particularly in the transport and logistics, consumer markets and financial services sectors at 90%, 84% and 84% respectively), they are less likely than their global peers to accept significantly lower rates of return on climate-friendly investments. In a world increasingly shaped by environmental challenges, business leaders must recognise the need to further integrate sustainability into core strategies - including investment decisions - to align profitability with purpose.

Q. To what extent have climate-friendly investments initiated by your company in the last five years caused increases?

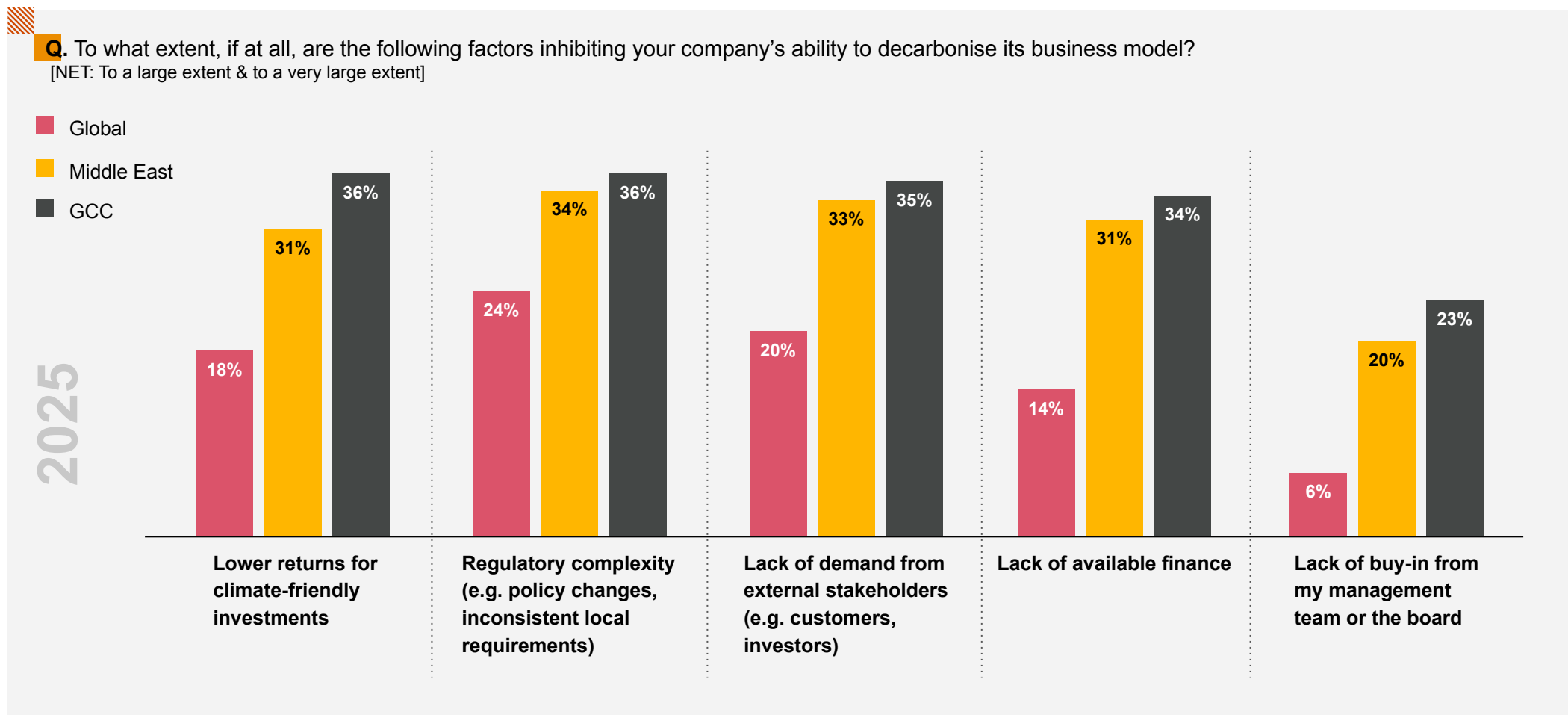


Note: Percentages may not total 100% due to rounding.

Findings from our survey have also indicated that among Middle East CEOs who have not made any climate-friendly investments in the last 12 months, several key barriers hinder their ability to decarbonise. Regulatory complexity emerges as a key challenge due to the lack of mandatory regional sustainability regulations, impacting companies engaged in cross-border trade with jurisdictions like the European Union and the United States, where such regulations are enforced.¹⁴ Similarly, the perception of lower returns on climate-friendly investments remains a greater challenge regionally, with the percentage of CEOs concerned about this nearly doubling the global average. The lack of available financing is also a challenge, with regional CEOs reporting this issue at more than twice the rate of global leaders.

I aim to strengthen our focus on sustainability by deeply integrating climate-friendly investments into our business model. This aligns with global trends and stakeholder expectations, ultimately contributing to a positive environmental impact and long-term profitability.” CEO, Financial Services

Addressing these obstacles requires a reinvention of traditional business models, enabling business leaders to advocate for regulations that can support climate action agendas, embrace innovative financing strategies and relook at climate-friendly investments as opportunities for long-term value creation.



Note: Percentages may not total 100% due to rounding.



03

**Industries
converge and
compete over new
domains of growth**

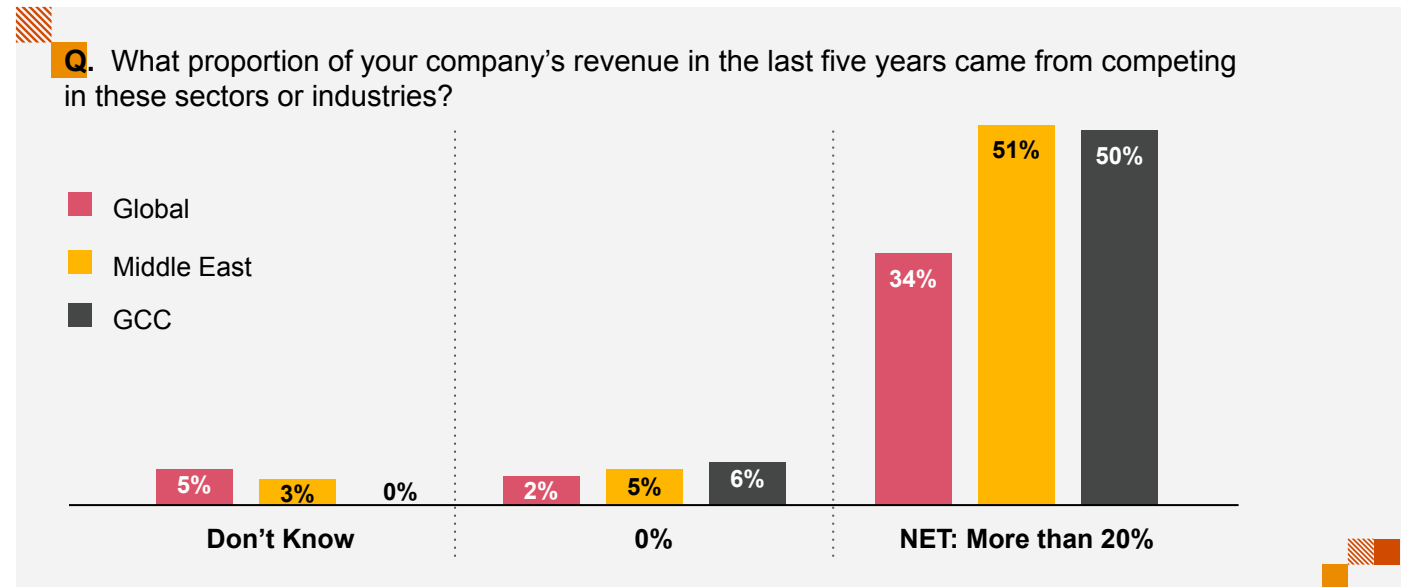
Ahmad Abu Hantash
Partner, Technology
Consulting
PwC Middle East

Chief executives are searching for new domains of growth in an increasingly complex and fast-changing business environment. Forward-thinking companies must harness disruptive forces and swiftly innovate to maintain a competitive edge, navigating sector transformations, emerging partnerships and heightened competition from new entrants as industries converge,

As CEOs in the Middle East evaluate the impact of the transformative forces of AI and climate change on their existing industries and businesses, they are focusing on unlocking new value streams. This is driving sector convergence, breaking down traditional boundaries and fostering collaboration. For example, AI-powered solutions are linking healthcare with technology to create precision medicine and advanced diagnostics as in the case of the partnership between G42 Healthcare and Mubadala Health in the UAE.¹⁵ Meanwhile, the climate crisis is driving energy companies such as ADNOC and Abu Dhabi Future Energy Company (Masdar) to partner with tech firms like Microsoft to innovate in renewable energy solutions.¹⁶

The ecommerce boom in Saudi Arabia is also fueling a transformative cross-sector convergence, blending retail and technology in unprecedented ways. The rise of diverse online payment platforms, popularity of social media as a marketplace, and the integration of ecommerce with consumer sites has ensured greater engagement for Saudi's tech-savvy population.¹⁷

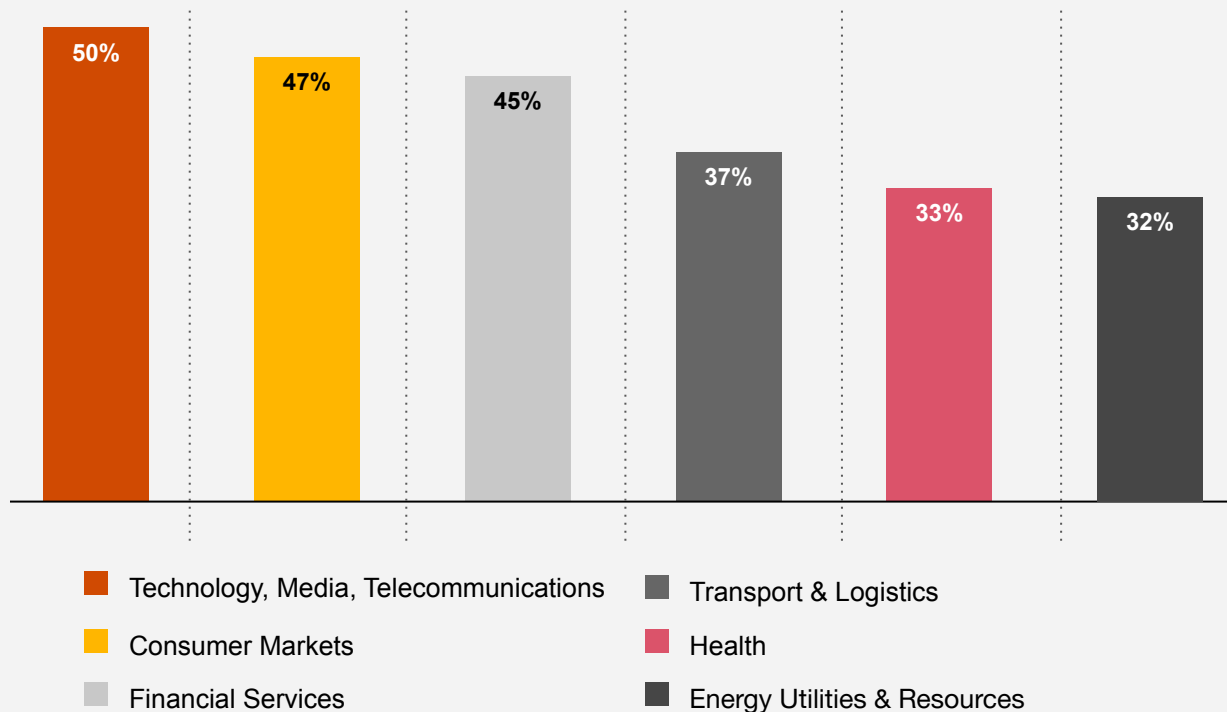
Our survey findings reiterate this trend. In the last five years, businesses in the Middle East have ventured beyond their traditional boundaries. More than 40% have begun competing in sectors or industries in which they previously hadn't, slightly surpassing the global average of 38% - showcasing a bold appetite for diversification. Among these companies, half reported that more than 20% of their revenue during this period originated from these newly entered industries and sectors. And for the CEOs who are most concerned about their companies viability, 20% cited high levels of new entrants/ strong competition from adjacent industries as a key factor.



Note: Percentages may not total 100% due to rounding.

The technology, media and telecommunications sector leads this trend with half of the CEOs in this industry moving beyond familiar horizons, followed closely by consumer markets (47%), financial services (45%) and transport and logistics (37%). Even traditionally siloed industries such as healthcare (33%) and energy, utilities and resources (32%) are progressively adopting cross-sector strategies, reflecting a broad regional shift toward convergence driven by technological disruption, economic diversification and changing market dynamics.

Q. In the last five years, has your company begun competing in any sectors or industries in which it had not previously competed?



Note: Percentages may not total 100% due to rounding.

The most popular new industries that companies have begun competing in over the last five years in the Middle East include consumer markets (42%), telecommunications, media and technology (31%) and healthcare (23%).

Looking at the region's deals market, more than a quarter (27%) of business leaders in the Middle East had made a major acquisition of more than 10% of assets in the last three years, while more than half (56%) are planning to make an acquisition within the next three years. And, in keeping with our theme of convergence, almost three quarters (72%) anticipate making deals outside their core industries within this same period.

Deal volume trends in the Middle East for the first half of 2024 had indicated a more optimistic outlook among regional investors, contrasting with global trends. While M&A volumes fell globally, the stability of the region's M&A landscape was maintained by active private equity firms, sovereign wealth funds (particularly in Abu Dhabi and Saudi Arabia) and strong corporate dealmaking.¹⁸

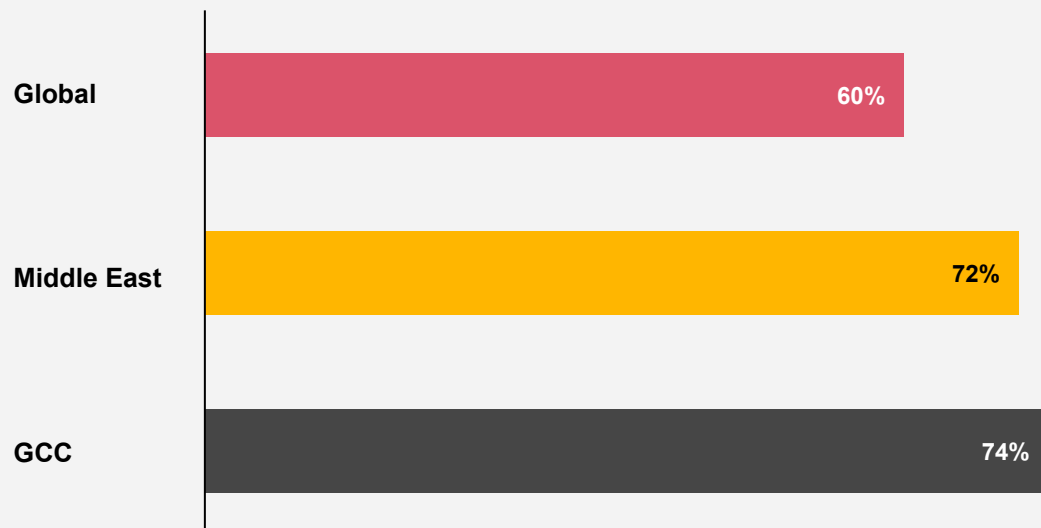
Romil Radia
Deals Markets
Leader, PwC
Middle East

The Middle East's M&A landscape remains resilient and attractive, driven by economic diversification, green economy initiatives, technological advancements along with a strong focus on localisation and value creation. Regional players are capitalising on opportunities to create national or regional champions and also looking outbound in order to enhance their strategic capabilities and market positioning. This momentum highlights the region's emergence as a dynamic hub for innovation and impactful dealmaking — strengthening both regional growth and outbound investment.



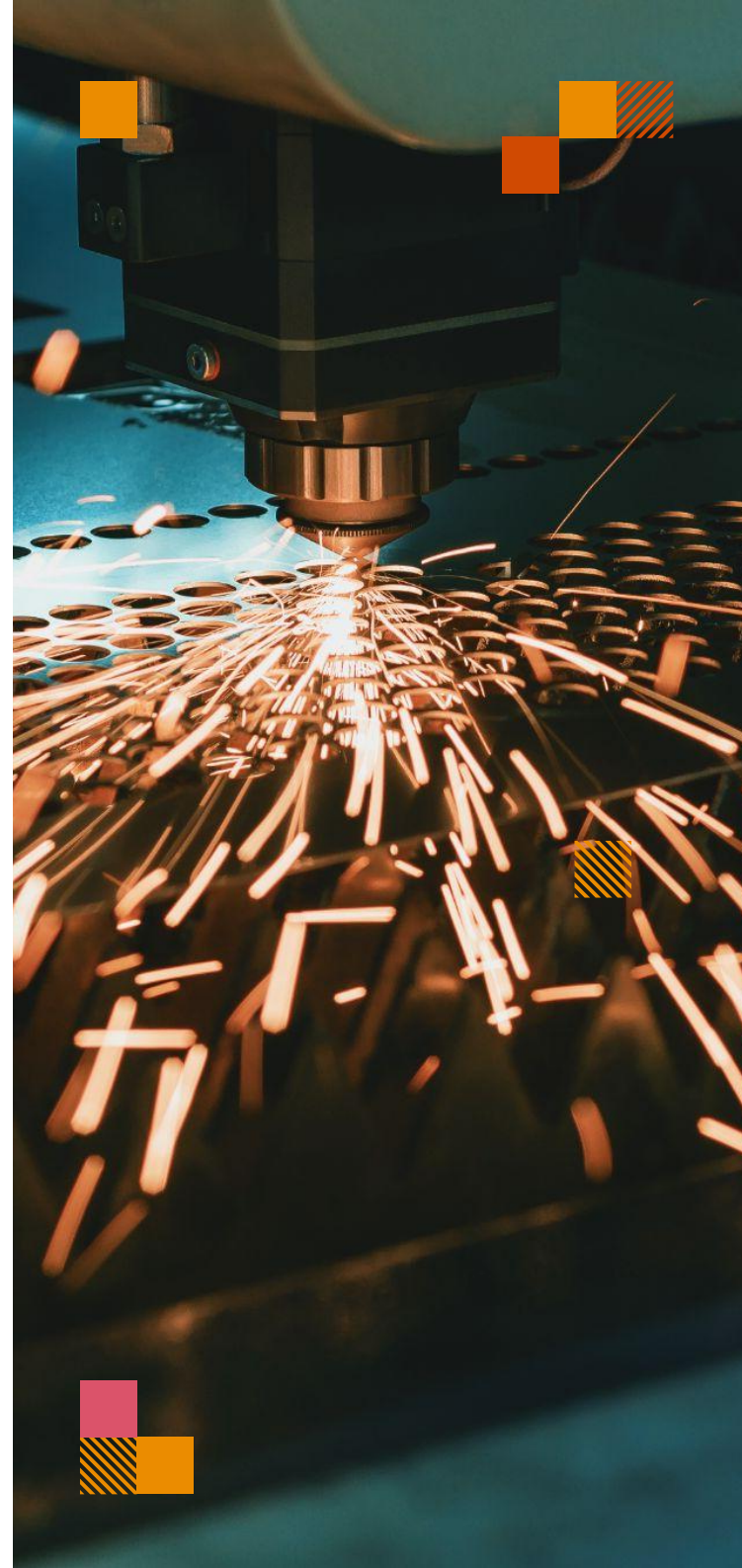
Plans for acquisitions vary widely across sectors in the Middle East. In the next three years, 67% of healthcare CEOs in the region are planning to make an acquisition, leading the pack in anticipated deal activity. This is followed by 60% of transport and logistics CEOs and 59% of consumer markets CEOs, highlighting a focus on consolidation and diversification within these sectors.

Q. Of the acquisition(s) that your company is planning to make in the next three years, what proportion of the deal value do you expect will be from sectors or industries other than your own? (Net positive)



Note: Percentages may not total 100% due to rounding.

These ambitious moves underscore a strategic pivot among regional businesses towards creating new opportunities in untapped markets and fostering innovation through cross-industry collaborations.



The strategic shift for the year ahead: Recalibrating to reinvent

As megatrends converge, the stakes are high - but so are the opportunities. To thrive in the near future, regional leaders must embrace a rapid reinvention of their business models, leveraging advanced technologies, commit to further investment in sustainable strategies and upskilling their workforce - while adapting to shifting geopolitical and regulatory landscapes. Our findings tell us that success for Middle East CEOs and their organisations in 2025 and beyond will hinge on four key moves around the themes of confidence, reinvention and convergence.

01 Adapt to the megatrends for accelerated business growth



- **AI and climate change are reshaping business realities in the Middle East, demanding a forward-looking approach from CEOs to seize opportunities and manage risks.** The rapid adoption of AI, including GenAI, offers unparalleled opportunities for innovation, differentiation, and efficiency. To stay ahead, leaders must upskill their workforce, leverage AI-driven insights, and prepare for increasing regulations on data protection, digital infrastructure, climate, and trade.
- **Collaboration with regional governments to establish AI regulations and standards is crucial** for responsible implementation and to address legal and ethical challenges. Simultaneously, embedding sustainability into core strategies and committing to climate-friendly investments will help organisations contribute to net-zero goals while securing long-term success.

02 Strengthen resilience and increase agility against evolving threats



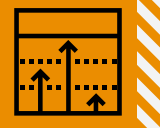
- **In an unpredictable business landscape, risks are shaped by both internal and external forces.** Emerging technologies, for instance, significantly increase the risk of cyberattacks by state and non-state actors, posing a growing threat to organisational security. CEOs must, therefore, integrate cybersecurity across all business functions, and collaborate with regulators and industry peers to develop resilient strategies that protect their business.
- **To help bolster against geopolitical headwinds, regional leaders must continue to build business resilience** by transitioning from linear, cost-driven supply chains to flexible, localised networks¹⁹ that can enhance performance, adaptability and cost efficiency.²⁰ Boosting trade relationships with non-traditional partners to gain access to new markets will further build resilience in these circumstances.

03 Create growth with a future-ready workforce



- **For long-term business growth, regional CEOs must develop strategies that effectively combine people and technology to transform how work is done.** Upskilling resources will now become essential given the increasing adoption of AI and GenAI in organisations. In the Middle East, employees are generally deeply committed to their organisation's strategic objectives and optimistic about their future careers.
- **Aware of the rapid evolution of their roles, driven by factors like AI adoption and the climate crisis, employees value a culture of continuous improvement.** Leaders must continue to invest in talent development to power their reinvention strategies and future success.

04 Seek value beyond traditional market boundaries



- **As companies expand beyond their traditional geographies, industries and customer bases, industry convergence is emerging as a pivotal opportunity** for organisations seeking to diversify and thrive amid uncertainty. To capture value from new domains of growth, organisations must embrace continuous adaptation and innovation, reimagining their business models to stay ahead.
- **Prioritising customer engagement and delivering exceptional experiences** will be critical to fostering long-term loyalty and achieving sustainable growth in an interconnected future.

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PwC's 28th Annual Global CEO Survey methodology

Survey methodology

We surveyed 4,701 CEOs in 109 countries and territories from 1 October through 8 November 2024. We received 276 responses across 11 Middle East territories. The global and regional figures in this report are weighted proportionally to the country's nominal GDP so CEOs' views are broadly representative across all major regions - the base for Middle East region results are weighted to 216. The industry- and country-level figures are based on unweighted data from the full sample of 4,701 CEOs, including 4,236 men, 401 women, and 64 who identified with another gender or preferred not to say. Further details by region, country and industry are available on request. All quantitative interviews were conducted on a confidential basis.

Notes

Percentages in charts may not add up to 100%—a result of rounding percentages; multi-selection answer options; and the decision in certain cases to exclude the display of certain responses, including 'Other,' 'Not applicable' and 'Don't know.' The research was undertaken by PwC Research, our global centre of excellence for primary research and evidence-based consulting services.

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