



Where capital meets confidence - growth, AI and resilience

**PwC's 29th Global CEO
survey: Middle East findings**



Foreword

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In the Middle East, CEOs are navigating a complex mix of risks and opportunities in an increasingly uncertain environment. The region has established itself as a focal point for international investment and AI-enabled growth, and we see business leaders moving decisively into new sectors as traditional industry boundaries blur and new growth opportunities emerge.

Across the survey, it is clear that leaders are thinking beyond short-term volatility. Many are advancing responsible AI practices, strengthening digital infrastructure and reassessing supply chains, while continuing to invest in reinvention and long-term capability building. These actions reflect a forward-looking mindset that is increasingly characteristic of the region’s business landscape.

Ambitious national agendas, strong financial foundations and sustained investment in technology and infrastructure are enabling CEOs to operate with greater confidence and to influence what comes next. This combination of intent and capability is positioning the Middle East at the forefront of global transformation.

Thank you to the chief executives who contributed their perspectives to this year’s survey. We hope the findings from our 29th Global CEO Survey for the Middle East provide meaningful insight into the forces shaping the future of business across the region.



Hani Ashkar
Territory Senior
Partner, PwC
Middle East

Key findings for the region



Confidence in domestic growth remains exceptionally strong

88%

of Middle East CEOs and

93%

of GCC CEOs express exceptional confidence in economic growth in their own territories - the highest levels globally.

The GCC ranks among the top global investment destinations for CEOs



Saudi Arabia and the United Arab Emirates now rank among the **top 10 destinations** for international investment and also offer the strongest potential for intra-regional investment opportunities.

Middle East CEOs lead globally in adopting AI across their businesses

82%

of business leaders say their organisation's culture enables AI adoption, while nearly

40%

have adopted AI for demand generation, customer service and support services.

Dealmaking is on the rise

79%

of Middle East CEOs plan a major acquisition in the next three years, with opportunities increasingly emerging from new sectors.

Climate risk rises in CEO agendas

One in five

GCC CEOs surveyed cite climate change as one of the top threats to their businesses, seven percentage points higher than the global average.

Cybersecurity as a strategic priority

57%

of Middle East CEOs expect to significantly improve enterprise-wide cybersecurity over the next three years, while geopolitics continues to remain the top concern.



01

A magnet
for capital

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Despite a more volatile global backdrop, leaders across the region are not pulling back. Confidence in domestic fundamentals, anchored in national transformation agendas, is empowering business leaders to deploy capital to position for long-term growth, even amid elevated short-term risks.”



Jing Teow

Partner | Economic Policy and
Strategy, PwC Middle East

A magnet for capital

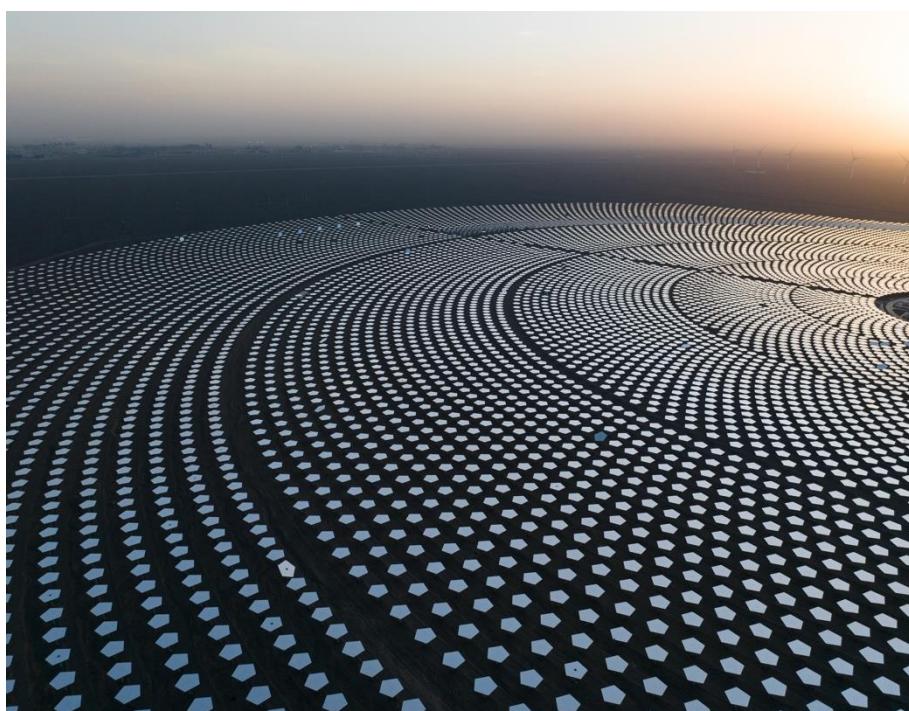
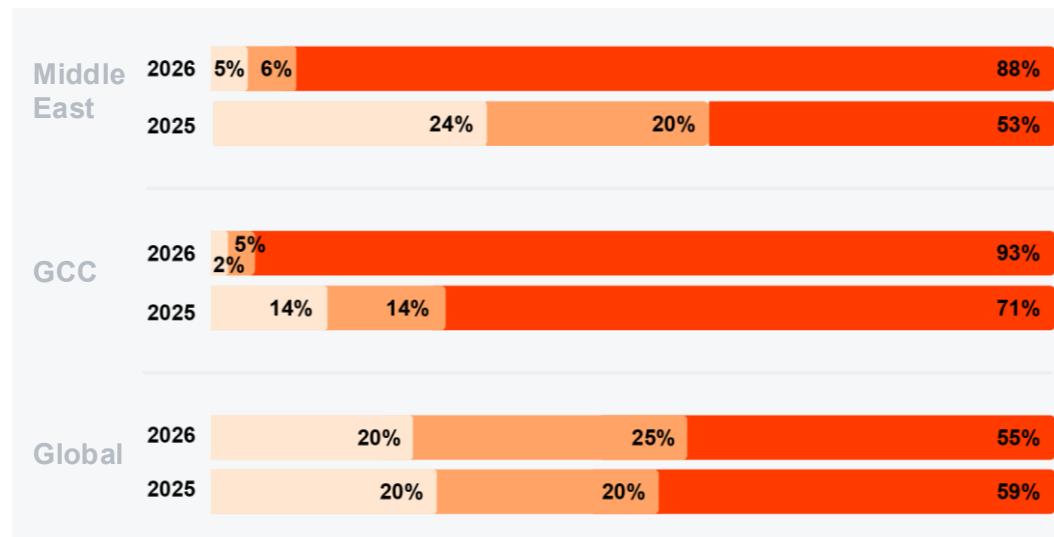
1.1

Middle East CEOs are among the most confident globally, as the region attracts growing international investment attention.

Even as global uncertainties persist, CEOs in the Gulf Cooperation Council (GCC) countries stand out for their exceptional confidence in economic growth over the next 12 months (see Figure 1). A striking 93% of CEOs in the GCC expect the domestic momentum to strengthen, compared with only 55% of their global peers who feel the same about their own territories.

Figure 1

What do you believe economic growth will be over the next 12 months in your territory?



Q. What do you believe economic growth will be over the next 12 months in your territory?

100%

Transport and Logistics

94%

Energy, Resources & Utilities

90%

Consumer Markets

86%

Technology, Media, Telecommunication

84%

Health Industries

82%

Financial Services

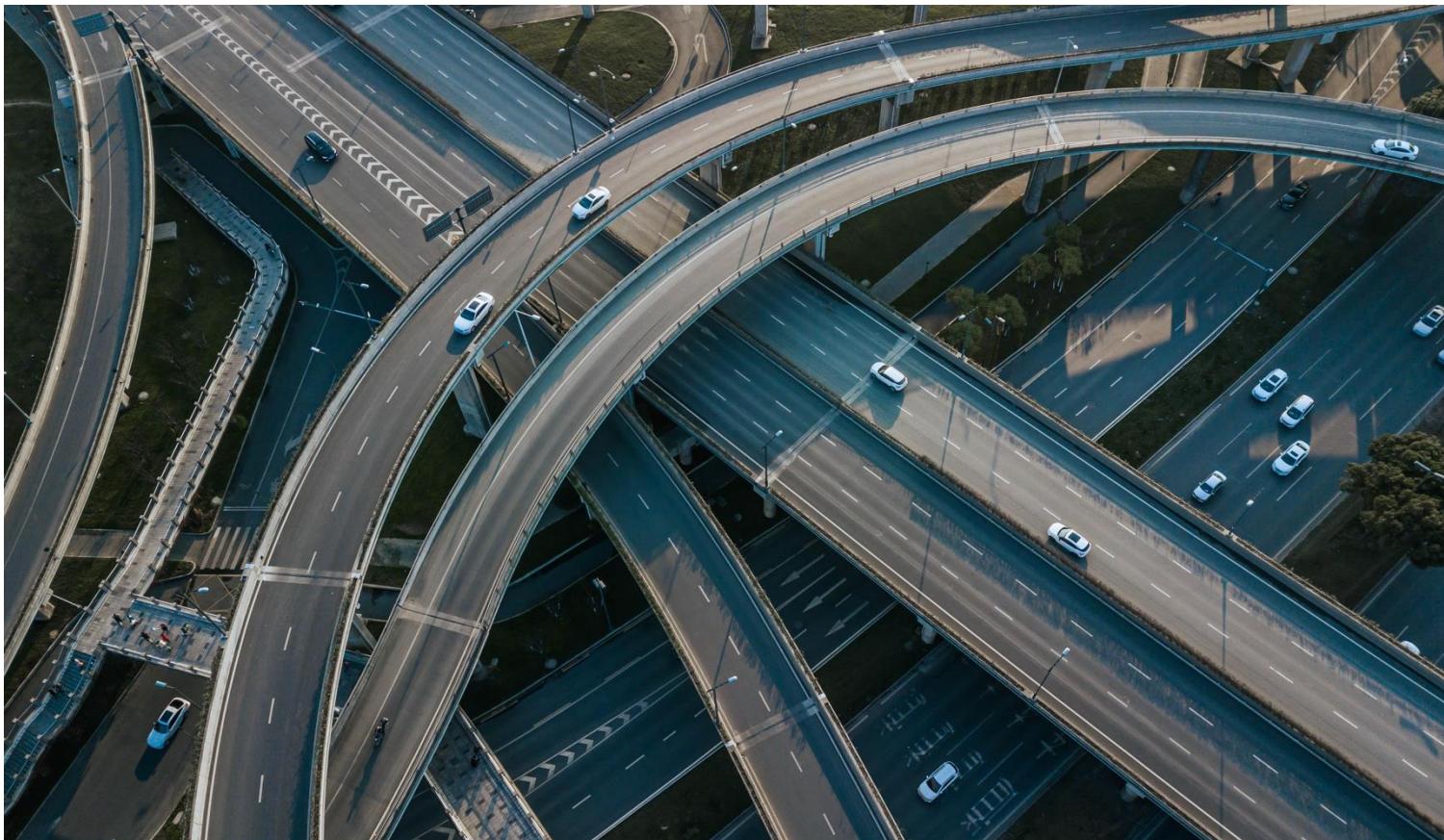


This optimism is underpinned by the Middle East's strong economic fundamentals, relatively limited exposure to higher US tariffs, as well as its strategic position along key east-west trade corridors. There is also a sustained focus on long-term transformation that sets the region apart from the rest of the world, with its non-oil sectors making visible contributions to growth. At the regional level, the World Bank projects that growth in the GCC will rise to 4.4% in 2026 and 4.6% in 2027.¹

1.2

The GCC ranks among the top global investment destinations for CEOs

In a cautious global investment environment, CEOs are reshaping investment priorities, and the region has emerged as a key beneficiary of this realignment. Saudi Arabia and the UAE are emerging as increasingly prominent destinations in global investment strategies. Both countries rank within the top 10 destinations where CEOs globally expect to allocate the largest share of investment over the next 12 months, with investment intent rising year-on-year.

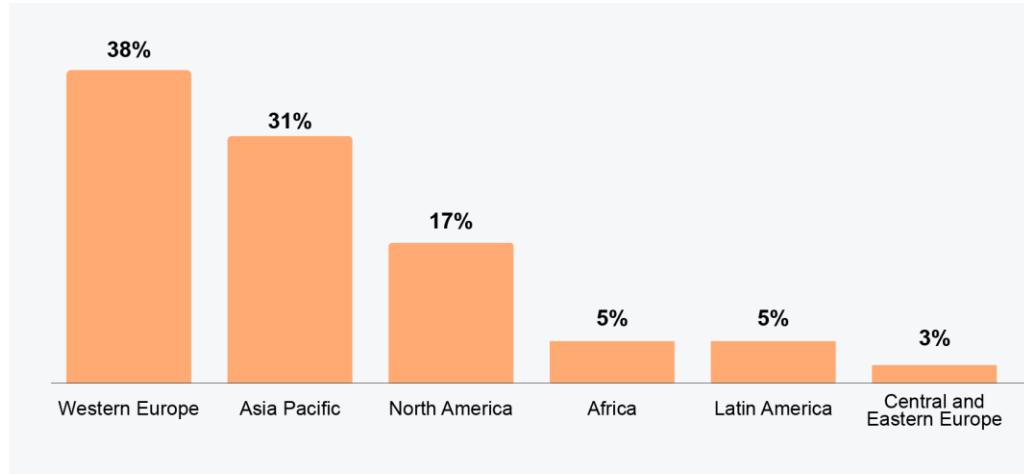


In terms of investment inflows (see Figure 2), the Middle East continues to draw capital primarily from Western Europe (38%), Asia Pacific (31%), and North America (17%). Foreign direct investment inflows into Saudi Arabia rose 24% in 2024 to US\$31.7 billion,² while the UAE attracted US\$45 billion³ in FDI inflows.

Recent high-profile agreements highlight the scale of capital flowing into the region. During the UK Finance Minister Rachel Reeves's visit to Saudi Arabia for the Future Investment Initiative summit, a US\$4.8 billion package of new bilateral trade, procurement and investment commitments was announced, reinforcing the Kingdom's role as a major global investment partner. Similarly, the UAE-India Comprehensive Economic Partnership Agreement (CEPA) includes provisions to encourage joint ventures and cross-border investment, particularly in renewable energy technologies and food processing. This reflects not just growing investment volumes, but a shift toward long-term, partnership-led capital focused on building industrial capability, technology depth and resilient value chains across the region.⁴

Figure 2

Top foreign investments into the Middle East



AI infrastructure investments mark a new chapter for region. Landmark partnerships point to this momentum. Saudi Arabia's Public Investment Fund and Google Cloud are advancing a US\$10 billion collaboration to build a global AI hub in the Kingdom, while Microsoft and Abu Dhabi's G42 have announced a 200-megawatt data-centre expansion as part of a US\$15 billion long-term commitment.⁵ In 2025, Abu Dhabi's Mubadala Investment Company also invested US\$12.9 billion in AI and digitalisation, followed by the Kuwait Investment Authority with US\$6 billion and the Qatar Investment Authority with US\$4 billion, underscoring the scale and strategic intent behind state-led digital investment.⁶ These moves are positioning the Middle East as a global crossroads for data, compute and intelligent services.

Beyond this, several key economies in the Middle East have emerged as highly attractive destinations for investors and entrepreneurs, supported by business-friendly tax regimes, increasing alignment with international tax standards, economic and political stability and enhanced market connectivity. Across much of the region, corporate tax rates remain low by global standards with additional incentives available in economic zones. Combined with targeted tax holidays, customs exemptions, and investment incentives, these frameworks reduce the cost of doing business and strengthen the region's appeal as a base for regional and global operations. A recent PwC survey of 136 Chinese enterprises found that nearly 90% plan to expand in the Middle East, while one in three already generates at least 20% of global revenue from the region.⁷

Beyond headline FDI figures, the Middle East is also building the institutional infrastructure needed to sustain long-term capital inflows. The rise of sophisticated regional hubs such as Abu Dhabi Global Market (ADGM), Dubai International Financial Centre (DIFC), Qatar Financial Centre (QFC) and the King Abdullah Financial District (KAFD) are attracting a growing number of family offices, asset managers and global financial institutions, supported by strong regulatory frameworks and deepening capital markets.

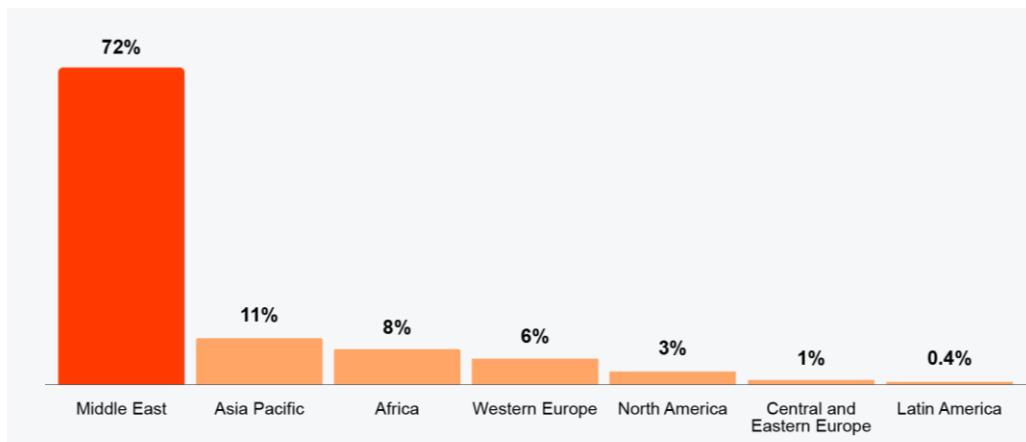
1.3

An expanding role in global investment and trade

Middle East businesses are the most active globally when it comes to investing beyond their home markets, with 88% of CEOs planning to invest outside their domestic territories. Almost three quarters of these investments will stay within the Middle East (see Figure 3). Outside the Middle East, the top three investment destinations for Middle East CEOs are Asia Pacific (11%), Africa (8%) and Western Europe (6%).

Figure 3

Where are Middle East CEOs planning to invest over the next 12 months?



The investment ambitions of Middle East CEOs are being reinforced by a parallel shift in trade policy. As the GCC expands its network of free trade agreements (FTAs) and comprehensive economic partnership agreements (CEPAs), it is strengthening its position as a unified, reliable, and increasingly competitive trading partner, serving as a reliable hub linking east-west and south-south trade. China is now the region's largest trading partner, accounting for more than 10% of GCC exports in 2024, followed by India. At the same time, GCC capital flows into Africa surpassed US\$53 billion in 2023, channelled largely into infrastructure, energy and technology. GCC leverages modern trade agreements to redefine its geographic advantage: building competitive industries, embedding the region deeper into global value chains, and securing access to critical inputs and growth markets aligned with long-term diversification and industrial ambitions.⁸



1.4

Intra-regional capital consolidates around key hubs

For intra-regional investment, Middle East CEOs see the strongest potential in

45%

Saudi Arabia

37%

the UAE

18%

Egypt

The Saudi Arabia-UAE investment corridor is powering deals in AI, renewables and mega-projects. Confidence in Egypt's investment climate strengthened last year with the US\$35 billion Ras El Hekma agreement. Structural reforms have also been introduced to make it easier to do business in Egypt, with the rollout of a new FDI strategy, focusing on localising manufacturing and technology transfer to build domestic capabilities and targeting investments in tourism, information technology, automotive components, agriculture, and textiles sectors.

In Qatar, regional companies, particularly from Saudi Arabia and the UAE, are stepping up investment, reflecting growing confidence in the country's economic growth and diversification agenda.⁹ Kuwait's active projects markets grew by 7.9% to reach US\$194 billion¹⁰ between November 2023 and November 2024, driven by the momentum around reforms. This is supported by S&P Global's upgrading of Kuwait's sovereign credit rating, signalling investor confidence, lower borrowing costs and fiscal resilience.¹¹

1.5

Higher revenue and profit margins

CEOs in the region report achieving higher growth and stronger profit margins than their global counterparts. In this year's survey, CEOs in the Middle East reported having stronger average revenue growth of 12%, compared with 8% among business leaders globally.

Companies in the Middle East have also reported that they are operating with net profit margins four percentage points higher than the global benchmark on their most recently completed fiscal year. This advantage is likely driven by more effective working capital management and the demand generated by large-scale national transformation programmes.¹²

Your next move



01. Anchor early in priority capital corridors

As international and intra-regional capital concentrates around a small number of markets and investment corridors, CEOs should make deliberate choices about where to anchor operations, partnerships, and balance sheet exposure. Early positioning in priority markets allows organisations to shape market standards, access capital at scale and position alongside sovereign and institutional investors as value pools take form.



02. Partnerships as capability accelerators

As global players enter the region with long-term intent, domestic and regional CEOs should be deliberate about the terms of access they provide. Market entry partnerships should be structured to accelerate local capability building, with clear expectations around technology transfer, data access, and operating know-how, rather than serving solely as distribution or licensing arrangements. Over time, this approach strengthens participation in emerging value chains and reduces dependence on imported capabilities.



03. Elevate tax from compliance to a strategic business enabler

Middle East CEOs acknowledge the need to move tax beyond a compliance function and embed it into core business, transformation, and technology decisions. As organisations across the region pursue transformation and expansion, early tax involvement is critical – using tax data, technology and insight to inform business decisions and improve performance outcomes. In parallel, geopolitical uncertainty, trade disputes, and tariff changes are reshaping supply chains, pricing, and margins, all of which directly impact income and transactional taxes. Leveraging tax as a strategic input, rather than a downstream requirement, enables organisations to proactively manage risk, optimise tax positions and support sustainable long-term business growth.



02

Road to
reinvention:
AI at scale and
the talent story

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Reinvention in the Middle East is increasingly innovation-led, as organisations align technology, capital and talent to create new growth engines. As businesses expand into new sectors, business leaders must remember that AI is not the strategy, it is a tool. The real imperative is to rethink the core business first, then apply the right technologies, including AI, while strengthening cyber awareness and resilience across the organisation.”



Ahmad Abu Hantash
Partner, Digital and Cyber
Leader, PwC Middle East

Road to reinvention: AI at scale and the talent story

2.1

Innovation is imperative to sustaining long-term growth and viability

A question we ask CEOs each year is what's keeping them awake at night. Last year, like their global counterparts, most regional business leaders were concerned that their businesses wouldn't be viable within 10 years or less without adaptation. This year, too, CEOs in the Middle East are concerned about the speed of transformation, innovation capabilities and future viability (see Figure 4).

They are asking:



Are we moving fast enough?



Are we building the right innovation capabilities?

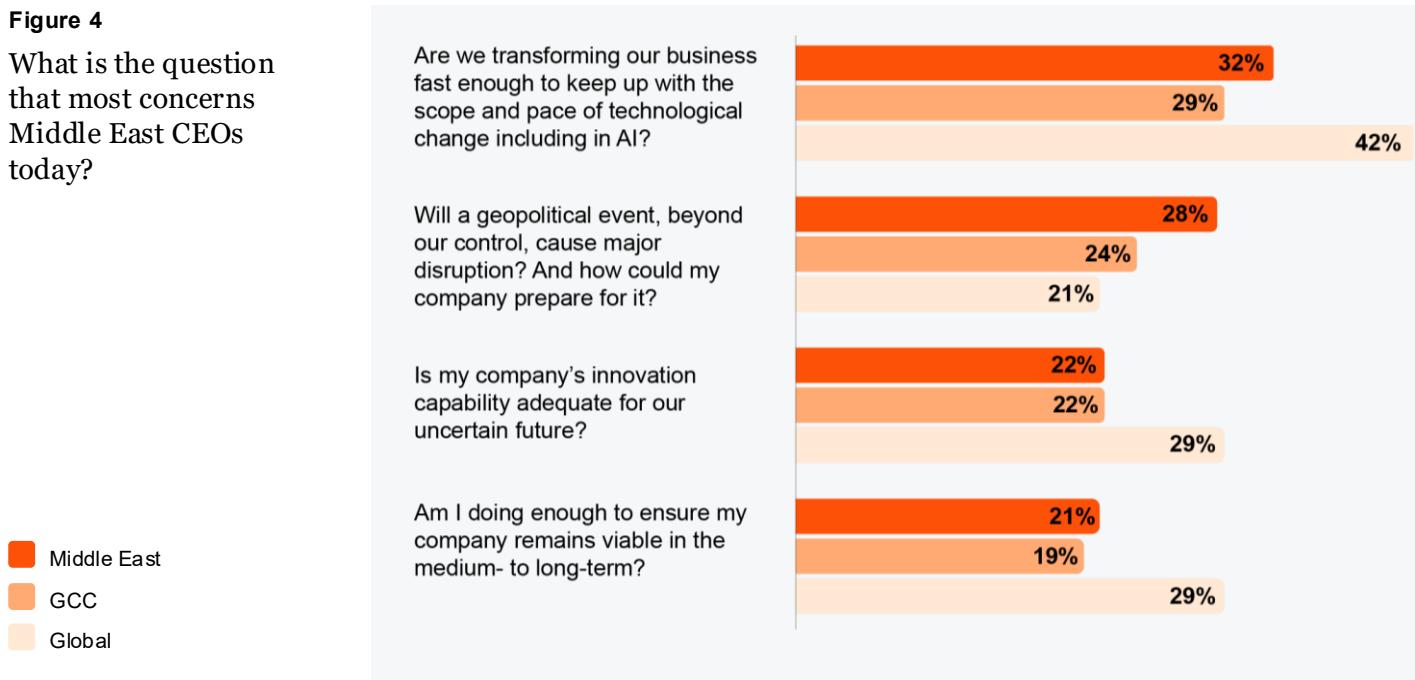


Will our business still be viable, medium to long term?

In a region that doesn't question whether to transform, but how quickly to do so, 32% of Middle East leaders are now concerned about whether they are transforming quickly enough to keep pace with technological change. Close behind is concern around capability with 22% of regional business leaders questioning whether their organisations are equipped to innovate for an uncertain future. A similar proportion are questioning their company's medium- to long-term viability.

Figure 4

What is the question that most concerns Middle East CEOs today?



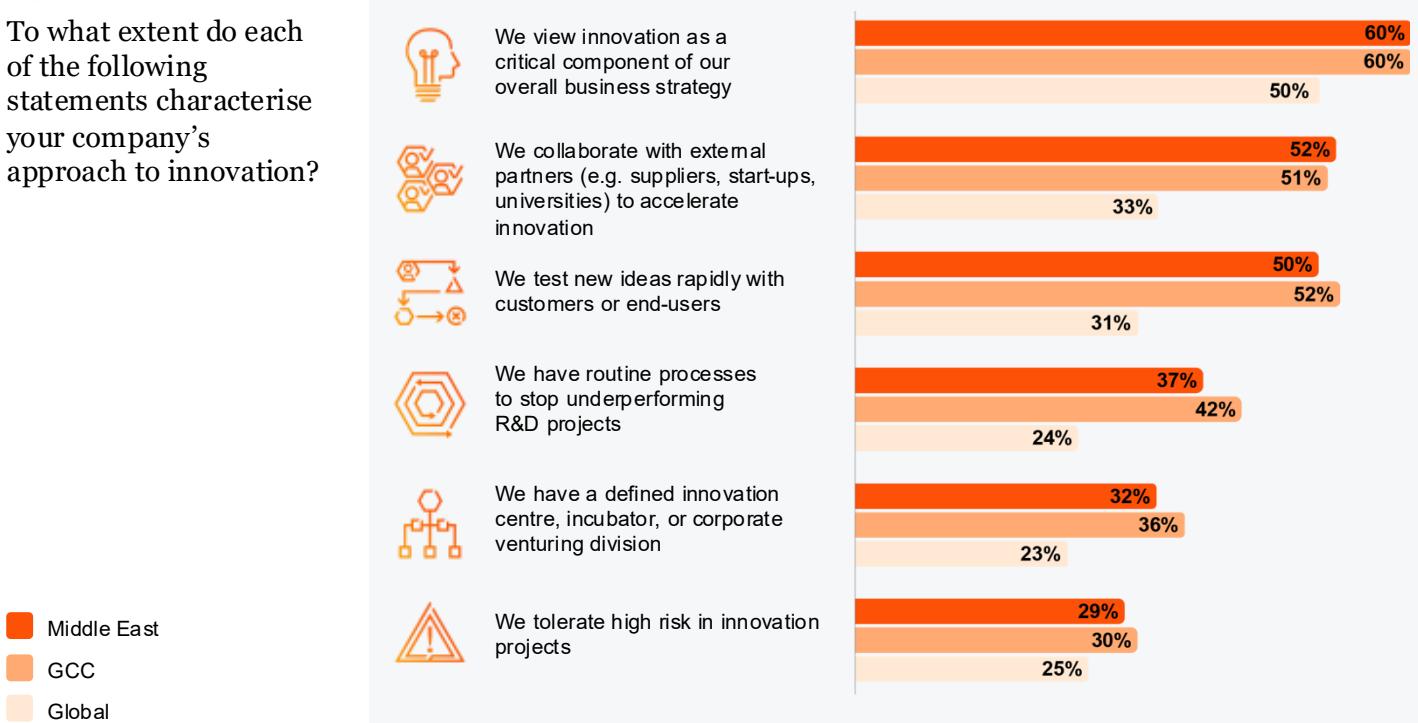
Q. Are we transforming fast enough to keep up with the scope and pace of technological change including in AI?

46%	40%
Financial Services	Technology, Media, Telecommunications
39%	25%
Health Industries	Energy, Resources & Utilities
24%	24%
Consumer Markets	Transport and Logistics

For businesses in the region, innovation is, therefore, becoming increasingly central to how CEOs think about growth. 60% of Middle East CEOs say they view innovation as a critical component of overall business strategy, compared with 50% globally (see Figure 5). So how are CEOs translating this intent into action? A little over half of Middle East CEOs collaborate with external partners, such as start-ups, suppliers and universities, to accelerate innovation, significantly ahead of the global average of 33%. In the region, 36% also reported having a defined innovation centre, incubator or corporate venturing unit, compared to 23% globally and half said they would test new ideas rapidly with customers and end-users, compared with just 31% globally.

Figure 5

To what extent do each of the following statements characterise your company's approach to innovation?



Q. We view innovation as a critical component of our overall business strategy

74%	69%
Technology, Media, Telecommunications	Energy, Resources & Utilities
66%	63%
Health Industries	Consumer Markets
56%	53%
Transport and Logistics	Financial Services

While intent is strong and regulatory frameworks continue to mature across the Middle East, there remains scope to further strengthen the commercialisation of new ideas. CEOs in the region reported that 19% of their company's total revenue comes from new products or services introduced in the last three years, slightly lower than global averages.

Risk appetite for innovation also remains measured. Just 29% of Middle East CEOs say they tolerate high risk in innovation projects, marginally higher than the global average of 25%. This highlights a tension: leaders recognise innovation's importance but are still balancing ambition with caution, more likely where capital intensive and high-risk projects are concerned.

2.2

Laying the foundations for AI at scale

In the Middle East, AI is becoming the defining catalyst for innovation at scale, accelerating the shift from traditional models towards new operating models and services. Sustained investment and bold government action to build AI infrastructure are creating a more enabling environment for businesses across the region. This is driving a more coordinated approach across the public and private sectors, anchored in a clear philosophy: embrace AI now, or risk falling behind in the global race for innovation.

2.3

AI embedded across the enterprise, not just at the edges

Across every area measured, CEOs in the Middle East – and even more so in the GCC – report a significantly higher application of AI than the global average. More than a third of Middle East and GCC leaders report integrating AI directly into their offerings, compared with fewer than one in five globally. The strongest uptake can be seen in demand generation (see Figure 6), including sales, marketing and customer service, where 39% of Middle East and 43% of GCC CEOs report extensive AI use, compared with just 22% globally. Adoption is also strong in support services, with nearly 40% of Middle East CEOs applying AI, well above global averages.

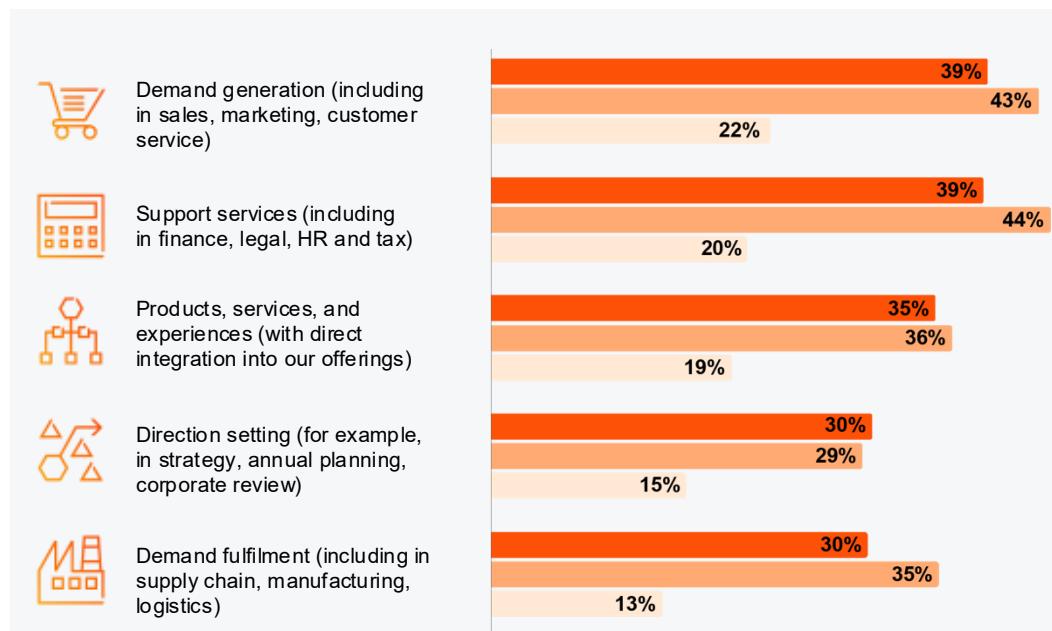
This pattern reflects a pragmatic starting point for AI adoption. Demand generation and support functions offer richer data, clearer use cases and faster returns, making them natural entry points for AI deployment. At the same time, the focus on customer facing applications aligns with a broader emphasis on revenue growth, personalisation and more data driven pricing and demand decisions.

Figure 6

To what extent has AI been applied in the following areas of your business?

(SUMMARY NET: To a large or very large extent)

 Middle East
 GCC
 Global



Demand generation (e.g. sales, marketing, customer service)

60% 53%

Technology, Media, Consumer
Telecommunications Markets

50% 32%

Transport and Logistics Health Industries

29% 28%

Energy, Resources & Utilities Financial Services

2.4

A culture that sees AI as a growth catalyst

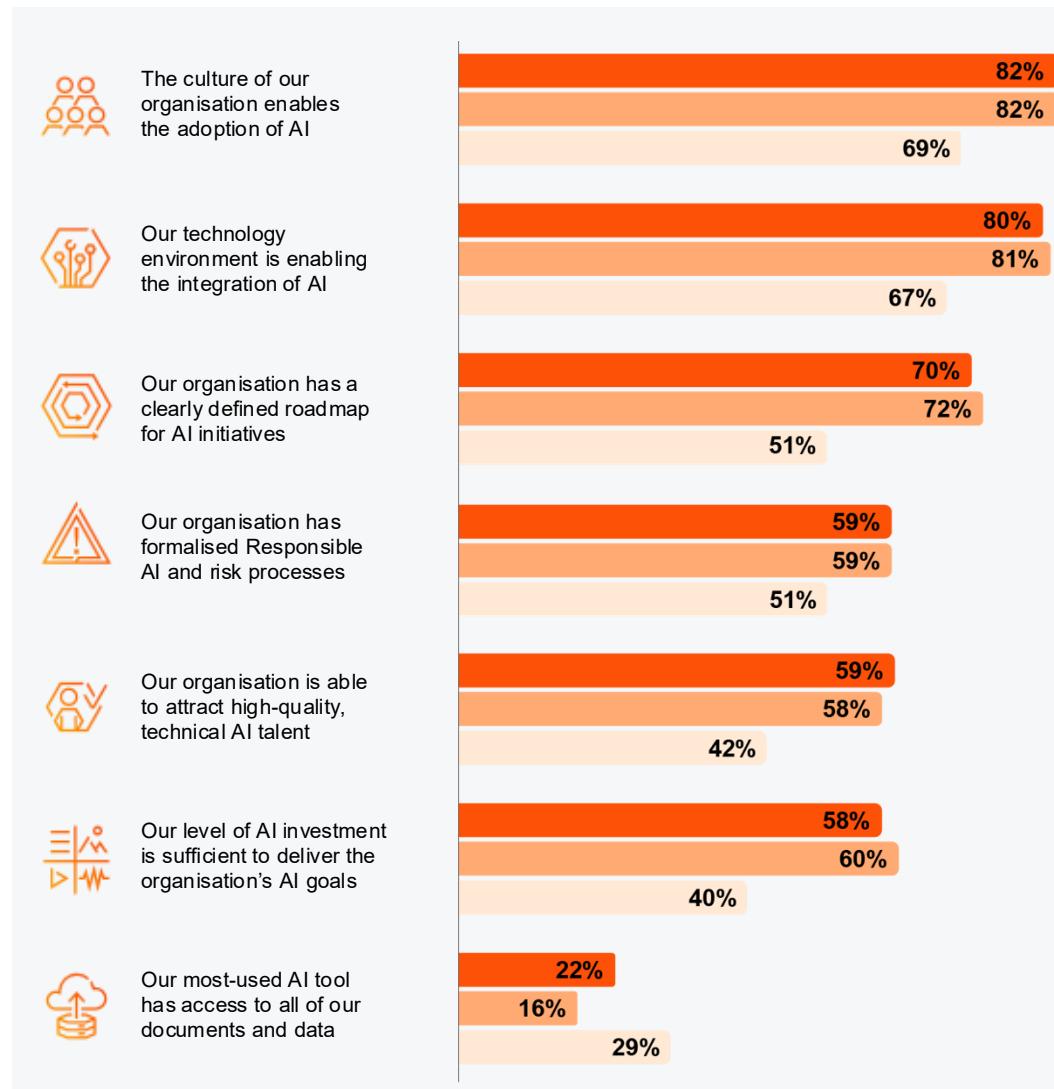
A striking 82% of Middle East leaders agree that their organisational culture enables AI adoption, while 80% say their technology environment supports integration, both well above global benchmarks (see Figure 7). This points to a clear advantage: leadership alignment, cultural openness to change, and modernised IT environments in place, with organisations less constrained by legacy systems.

Figure 7

To what extent do you agree with the following statements relating to AI use at your company?

[SUMMARY NET: Agree]

 Middle East
 GCC
 Global



This sentiment extends into strategy and governance. A notable 70% of Middle East CEOs say they have a clearly defined roadmap for AI initiatives, well ahead of the global average of 51%. Similarly, around 59% report having formalised responsible AI and risk processes, slightly above the global average. This suggests the region is moving beyond experimentation, towards institutionalising AI through planning, governance and oversight.



Our organisation has a clearly defined roadmap for AI initiatives

76%

Technology, Media,
Telecommunications

76%

Consumer
Markets

72%

Financial
Services

71%

Energy, Resources
& Utilities

68%

Transport and
Logistics

68%

Health
Industries

However, CEOs in the region have also revealed persistent gaps in data access. Only 29% of Middle East CEOs and 16% in the GCC agree that their most-used AI tools have access to all relevant documents and data, lower than the already modest 22% global figure. This highlights a critical bottleneck: AI confidence is high in the region, but data foundations are fragmented. Issues such as data silos, legacy systems and governance constraints are limiting AI's full potential. Without trusted and well-governed access to enterprise data, even advanced models and strong infrastructure will struggle to deliver transformative impact.

2.5

Attracting high-quality AI talent

Confidence in attracting high quality AI talent is greater in the Middle East, with 59% of regional CEOs indicating that they have access to high quality technical talent. This strong talent foundation is now shaping how CEOs think about workforce growth in an AI-driven economy.

As AI adoption accelerates, national strategies and large-scale transformation programmes across the Middle East are driving sustained demand for AI capabilities in sectors such as energy and mobility. By investing early in digitally native talent, it is likely that CEOs are building internal pipelines of AI-ready skills and shaping future capabilities from the ground up.

**Overall talent
attraction
confidence also
remains high**

Three-quarters of regional business and organisation leaders do not view talent attraction and retention as a major inhibitor to their business performance and are shifting focus from access to talent to long term capability building and retention. This is reflected in a sharp decline in concern around skills availability, with only 19% of CEOs citing it as a risk, down from 27% last year. Looking specifically at local talent, it is positive to see that nearly half of GCC CEOs are able to attract national talent with the skills their organisations need – enabling more sustainable long-term growth with local talent pipelines.

Your next move:



01. Shift innovation from activity to commercial outcomes

With innovation increasingly embedded in strategy, the next challenge is monetisation. CEOs should sharpen focus on scaling a smaller number of initiatives that demonstrate clear customer value and revenue potential, rather than expanding the volume of pilots. This requires clearer success metrics and incentives that reward the commercialisation of ideas. CEOs across the region can also more actively leverage government-backed innovation infrastructures, such as accelerators and centres of excellence, while strengthening pathways for technology transfer from academia into the business ecosystem. Within their organisations, CEOs can reward intrapreneurship and the scaling of new and encourage an appetite for risk, supported by the region's financial firepower.



02. Data readiness and governance

As AI adoption moves from functional use cases to enterprise-wide transformation, data quality, access and governance have become the binding constraints. CEOs should treat data foundations as critical infrastructure, prioritising interoperability, trusted access and clear governance before attempting to scale AI across the value chain. Without this, AI initiatives will stay confined to isolated use cases and fail to deliver consistent, enterprise-wide value.



03. Workforce upskilling

While degrees will remain important anchors of credibility and deep expertise, CEOs in the Middle East should lead a shift toward a skills-first talent strategy, focused on micro-credentials and a recognition of continuous, stackable learning pathways. In an environment where skills are evolving rapidly, lifelong learning must become the norm. This also requires moving beyond traditional hiring models toward catalyst hires, individuals who can accelerate capability-building across the organisation.



03

Building
competitive
advantage with
a more selective
M&A agenda

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We're seeing fewer transactions, but far more strategic ones, focused on capabilities, technology and cross-sector expansion rather than scale alone. At the same time, sustained international and intra-regional interest should create opportunities for CEOs to use partnerships and cross-border deals to bring in intellectual property, know-how and expertise into the region, building new growth engines and strengthening long-term competitiveness.”



Romil Radia
Deals Markets Leader,
PwC Middle East

3.1

A strong M&A appetite

Rising confidence, both within the region and from global investors, is translating directly into a more active M&A landscape. Strong growth expectations, resilient economic fundamentals and ambitious diversifying agendas are reinforcing confidence in the region as a hub for international capital deployment and FDI. This creates fertile ground for strategic dealmaking in the region, clearly visible with nearly three-quarters of CEOs in the Middle East and close to 80% in the GCC that expect to make one or more significant acquisition worth more than 10% of your company's assets in the next three years, a higher proportion than their global peers (41%). This appetite has strengthened considerably since last year, fuelled by a wave of mid-market deals in H1 2025, targeting high-impact sectors – from AI and digital infrastructure to green energy, advanced healthcare and industrial transformation.¹³

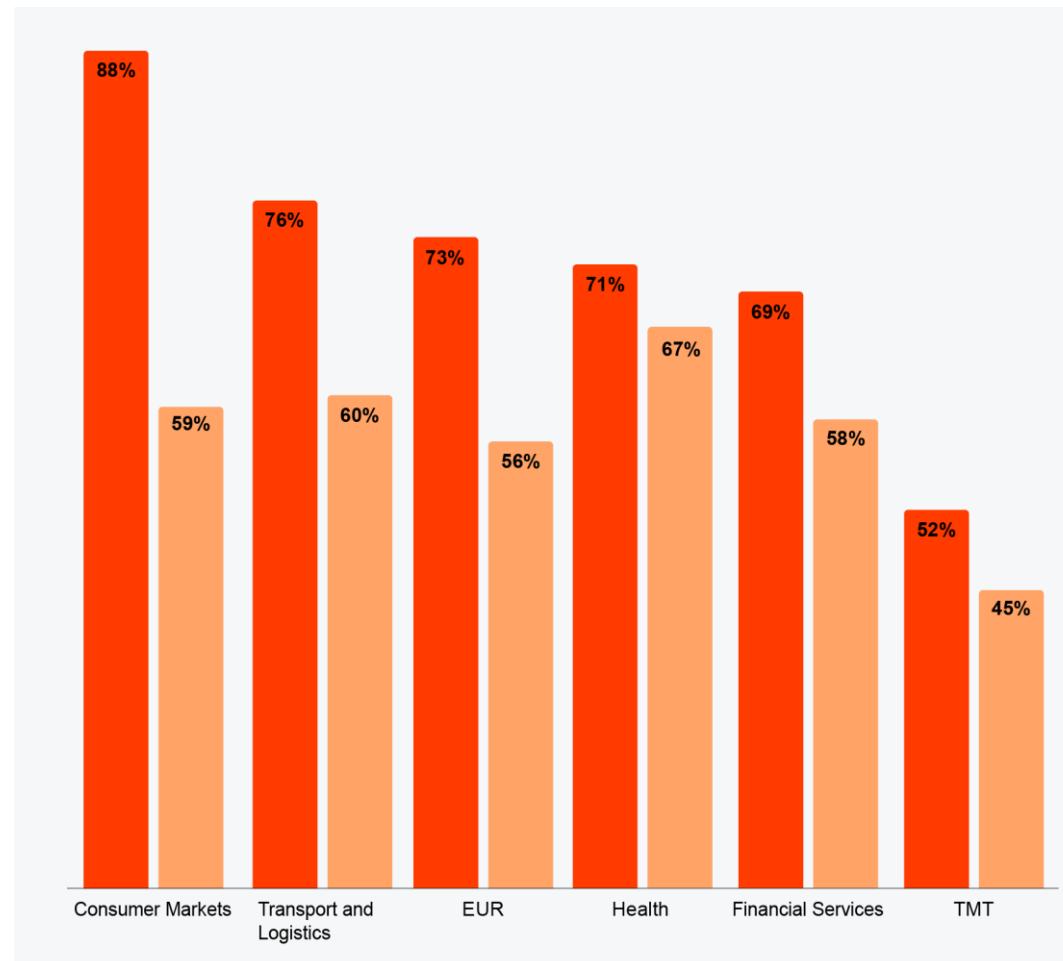
Looking specifically at industries, Consumer Markets (88%), Transport and Logistics (76%) and ERS (73%) would be making one or more major acquisitions worth more than 10% of their company's assets in the next three years (see Figure 8).

Figure 8

How many major acquisitions, worth more than 10% of your company's assets, is your company planning to make in the next three years?

[SUMMARY NET: One or more]

2026
2025



Sovereign wealth funds are powerful enablers of regional dealmaking momentum. By advancing government-led diversification agendas, they are helping build national champions with increasingly outward-facing investment strategies. Targeted sovereign investments across green hydrogen, renewable energy, climate tech, sustainable transport, digital infrastructure, AI and advanced manufacturing are reinforcing their role as long-term anchors of economic resilience and state-aligned growth across the region.

3.2

A sharper focus on strategic dealmaking

However, the nature of deal activity is shifting. Regional CEOs are becoming more selective, reflecting tighter liquidity conditions and a growing focus on fewer, but more strategic investments in areas such as AI infrastructure and digital transformation that will help secure long-term competitive advantage.¹⁴



3.3

Accelerating investment in new sectors and industries

The region's economic transformation agenda has catalysed the growth of new industries. As a result, we find a notable 60% of Middle East CEOs competing in new sectors or industries in the last five years, compared to just 42% globally. This represents a significant increase from last year's figure of 43%, signalling that the drive toward sectoral expansion and reinvention is accelerating across the region.

60%

of Middle East CEOs have competed in new sectors or industries in the last five years

Sector expansion is most pronounced in technology-led industries. Among companies that have begun competing in new sectors over the past five years, Technology, Media and Telecommunications (TMT) and Consumer Markets (CM) lead the shift, with 71% of CEOs in each sector reporting entry into new industries. This is followed by Health Industries (63%), Transportation and Logistics (59%), and Energy, Resources and Services (55%). Financial Services (46%) also shows significant cross-sector expansion, highlighting how digitalisation and new business models are driving convergence here.



Q. In the last five years, has your company begun competing in new sectors or industries in which it hasn't previously competed?

71%

Technology, Media, Telecommunications

71%

Consumer Markets

63%

Health Industries

59%

Transport and Logistics

55%

Energy, Resources & Utilities

46%

Financial Services

When asked which industries outside their own they plan to expand into over the next three years, 47% of Middle East CEOs identified TMT as their top choice. This was followed by 39% pointing to Consumer Markets and 32% to Industrials and Services. The findings also show sustained interest in Financial Services, Energy and Health. The pattern suggests that sector expansion is being driven less by diversification for its own sake and more by the pursuit of digital, data and AI capabilities that can be applied across core businesses and emerging value chains.

47%

of Middle East CEOs identified **Technology, Media and Telecommunications (TMT)** as their top choice to expand into over the next three years

followed by

39%

Consumer Markets

32%

Industrials and Services

This shift aligns with Value in Motion, PwC's latest major global economic research,¹⁵ which shows how powerful megatrends are reshaping economies, blurring traditional sector boundaries, and reorganising value creation around human needs. As industries converge and new ecosystems emerge, businesses that reinvent themselves with new business models are the ones best positioned to capture the next wave of growth.¹⁶



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Trillions of dollars in new value will be created in the next decade as advanced technologies and climate change reshape how economies grow. This will fundamentally alter the industrial system we operate in today. For leaders in the Middle East, it will be critical to understand how these forces cut across every part of the business and act decisively to extend our lead, or risk falling behind as new growth engines emerge.”



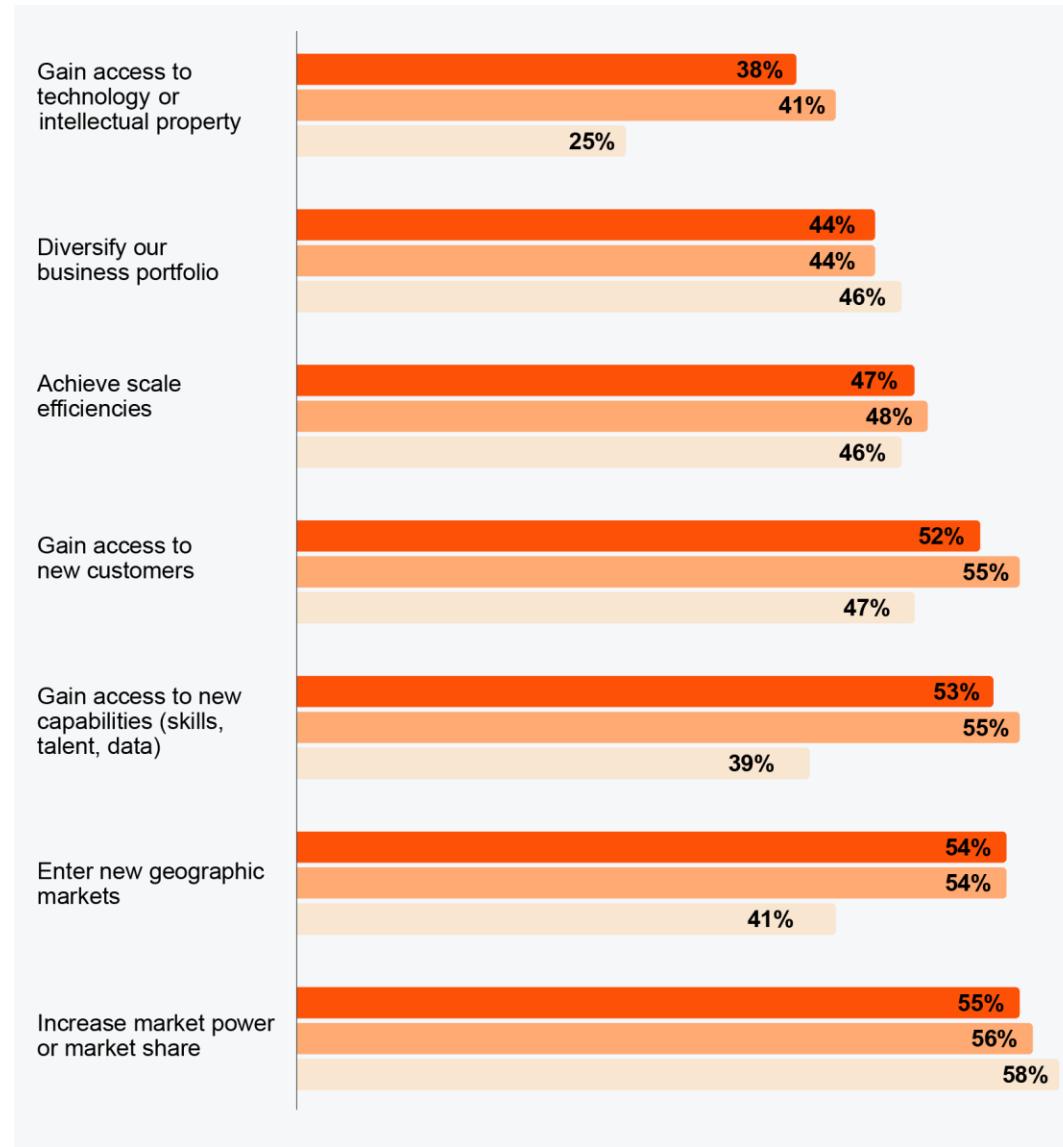
Rami Nazer
Clients & Markets Leader,
PwC Middle East

The region's M&A outlook reinforces this shift toward reinvention. A notable number of Middle East CEOs anticipate deal value to come from sectors outside their core industry – with just over a third saying that 20% or more of the value of planned acquisitions over the next three years will be in sectors outside their core industry, more than double the proportion of their global peers.

Top motivations for CEOs behind their regional acquisitions include increasing market power, entering new markets, acquiring new capabilities and gaining access to new customers (see Figure 9). More than half of regional leaders prioritise entering new geographic markets, higher than 41% globally. At the same time, the drive to gain new capabilities (skills, talent and data) stands as a major differentiator, with 53% of regional CEOs citing it as a priority compared to just 39% globally. More than half see this as an opportunity to gain access to new customers, while technology and intellectual property acquisition is emerging as a growing focus, at 38%, well above the global average, signalled rising interest in bolstering innovation and digital capabilities.

Figure 9

Which of the following statements describe your company's motivations for undertaking these acquisitions?



Your next move:



01. Use M&A as a capability accelerator

Use M&A to acquire capabilities, not scale. With deal appetite rising but liquidity and execution risks remaining, CEOs should prioritise investments that deliver critical capabilities. This means targeting assets that provide access to talent, technology, data, IP and operating models that accelerate transformation, enable entry into adjacent sectors and shorten the time to relevance in new value pools.



02. Be explicit about when to buy and when to partner

Not all capabilities need to be owned. CEOs should use partnerships and alliances to test adjacencies, access emerging technologies and shape ecosystems, while reserving acquisitions for capabilities that are strategic, scarce or central to long term advantage. Clarity on this distinction will reduce integration risk and improve capital discipline.



03. Compete beyond the core to capture shifting value pools

With sector boundaries blurring and a majority of Middle East CEOs already competing beyond their core industries, leaders must rethink how value is created and delivered in new zones of economic activities and collaborate with other companies in imaginative ways to meet human needs. This means creating new playbooks for innovating their business, focusing on customer needs and strategic partnerships that enable sustained growth in an increasingly interconnected economy.



04

A region built
for resilience

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What distinguishes Middle East CEOs is not an absence of risk, but a higher tolerance for operating through it. Despite elevated geopolitical and cyber exposure, leaders continue to commit capital, reconfigure supply chains and invest in future capabilities, which signals confidence in their ability to manage volatility rather than wait for stability.”



Mona Abou Hana
Chief Corporate & Network
Officer, PwC Middle East

4.1

38%

of CEOs in the Middle East rank geopolitical conflicts as their top concern

Near-term caution, long-term dynamism

In the near term, CEOs in the Middle East are operating in an uncertain environment that has weighed on the short-term sentiment across the region. Geopolitical conflict remains as the region's biggest concern and continues to shape boardroom decisions, directly influencing investment timing, supply chain resilience strategies and market expansion plans.

Closely following geopolitical threats is that of cyber risks (see Figure 10). But notably, concern about cyber-attacks among regional leaders has fallen from 36% last year to 29% this year, even as global concern has risen by seven percentage points to 31%. This likely reflects higher levels of regulatory compliance and sustained pressure on organisations to strengthen their cyber controls, resulting in greater maturity in the Middle East. As a result, entities appear better positioned to manage cyber risk, shaping a more confident risk perception.

The availability of key skills remains the third-largest concern for CEOs in the region, with almost one in five indicating that their companies will be highly or extremely exposed over the next 12 months. However, this proportion has declined from last year, suggesting that leaders are beginning to make progress in addressing skills gaps.

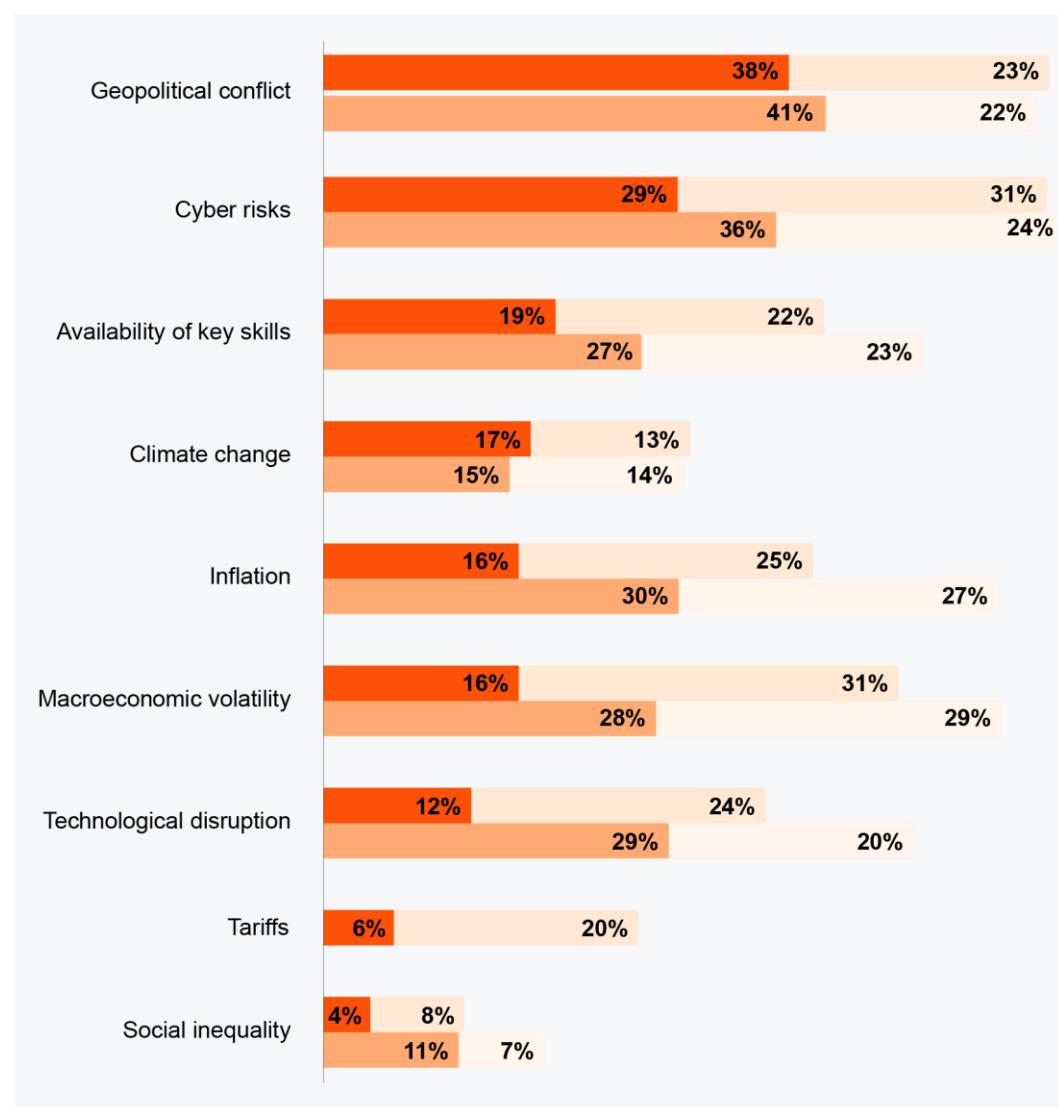
Perceptions of technological disruption have also declined in the Middle East from 29% to 16%, suggesting growing organisational maturity in managing AI integration. Significantly, the threat from inflation to the Middle East has receded, halving from 30% to 16% over the last year, while the GCC has seen a substantial decrease from 27% to just 11%.

At the same time, climate risks are rising on CEO agendas across the GCC. One in five GCC CEOs now cite climate change as a top threat to their business - seven percentage points higher than the global average - reflecting growing concern around physical risks, transition pressures and regulatory change.



Figure 10

How exposed do you believe your company will be to the following key threats in the next 12 months?



4.2

A renewed focus on cybersecurity

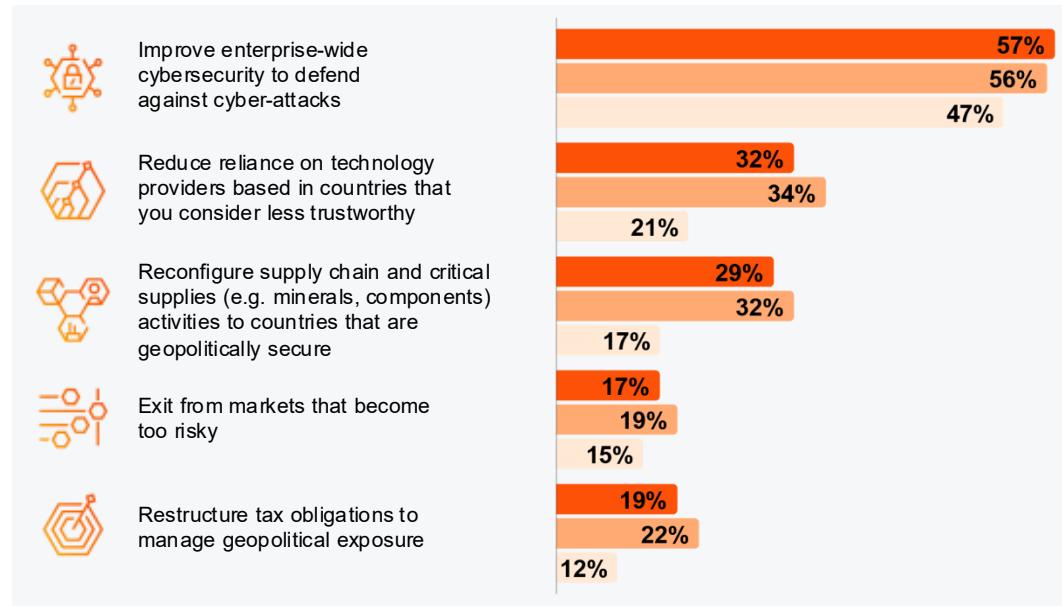
Given that the cyber landscape in the region is ever evolving, as rapid digitalisation increases exposure to sophisticated threats, including ransomware, nation-state attacks and identity-based intrusions. High breach costs further elevate the region's risk profile. Nearly 30% of Middle East business leaders cite a continued high exposure to cyber risks. Findings point towards a renewed focus on cybersecurity. 57% of Middle East CEOs expect to significantly improve enterprise-wide cybersecurity over the next three years, compared with 47% globally. As digital infrastructure, critical assets and data become strategic targets, cyber security is no longer viewed as an IT issue but as a core pillar of national and corporate security.

Data breaches are also becoming increasingly common across the region, with the Middle East now ranking second globally for the average cost of a data breach, estimated at over US\$7 million per incident.¹⁷ These risks provide the impetus for increased investment in cybersecurity. Top drivers of cyber spend over the next 12 months are data protection and data trust (52%), technology modernisation (50%), and optimisation of existing technology investments (40%).¹⁸

Beyond cyber defence, CEOs are actively reassessing technology dependencies (see Figure 11). Around 32% of Middle East CEOs plan to reduce reliance on technology providers based in countries they consider less trustworthy, well above the global average of 21%. This indicates a strategic pivot toward trusted suppliers, local or regional alternatives, and greater control over critical technologies to strengthen data sovereignty.¹⁹

Figure 11

To what extent do you expect your company to take each of the following actions in response to potential geopolitical risk, over the next three years?



As a strategic response to geopolitical risk, nearly 30% of Middle East CEOs and 32% of GCC CEOs expect to reconfigure supply chains and critical inputs, such as minerals and components, toward geopolitically secure countries, compared with just 17% globally. Also, nearly one in five Middle East business leaders indicated they would restructure tax obligations to manage geopolitical exposure, while 17% prepared to exit markets that become too risky. This suggests that security and predictability are increasingly taking precedence in broader market participation decisions.



4.3

Prepared, not paralysed – confidence in managing disruption

Having navigated pandemic disruptions, supply chain instability, and geopolitical volatility with relatively strong growth outcomes in recent years, the region has demonstrated its ability to weather shocks in an increasingly complex global environment. CEOs in the region are more confident in their preparedness to manage disruption than global peers.

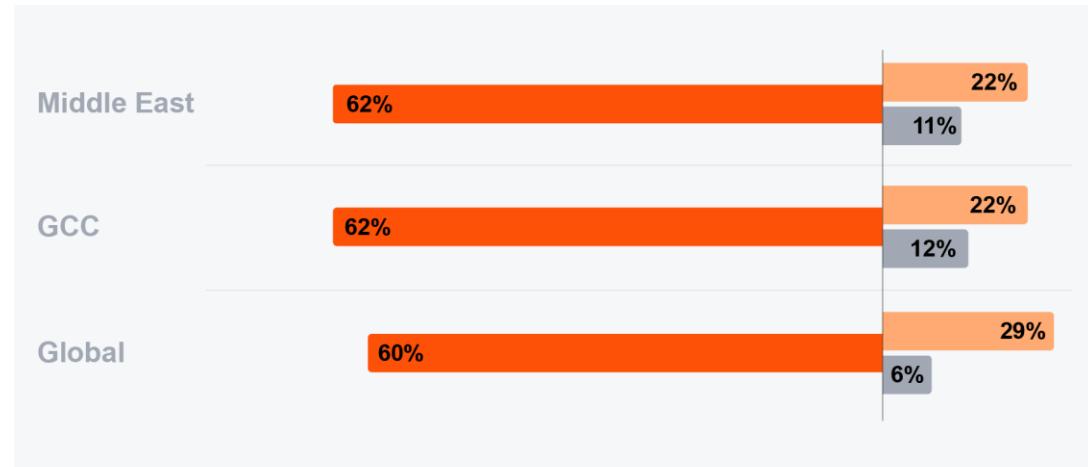


The recent ongoing tariffs and trade tensions offer a close up of this mindset in action. Rather than reacting defensively to tariffs, Middle East businesses have leveraged disruption as a catalyst for growth. A notable 62% of CEOs in the Middle East expect little to no change to profit margins due to tariffs (see Figure 12), slightly higher than their global peers, reflecting diversified trade relationships and a proactive approach to risk management.

Figure 12

Over the next 12 months, what will be the relative impact of tariffs on your company's net profit margin?

- Little to no change to profit margin
- NET: Increase
- Net: Decrease

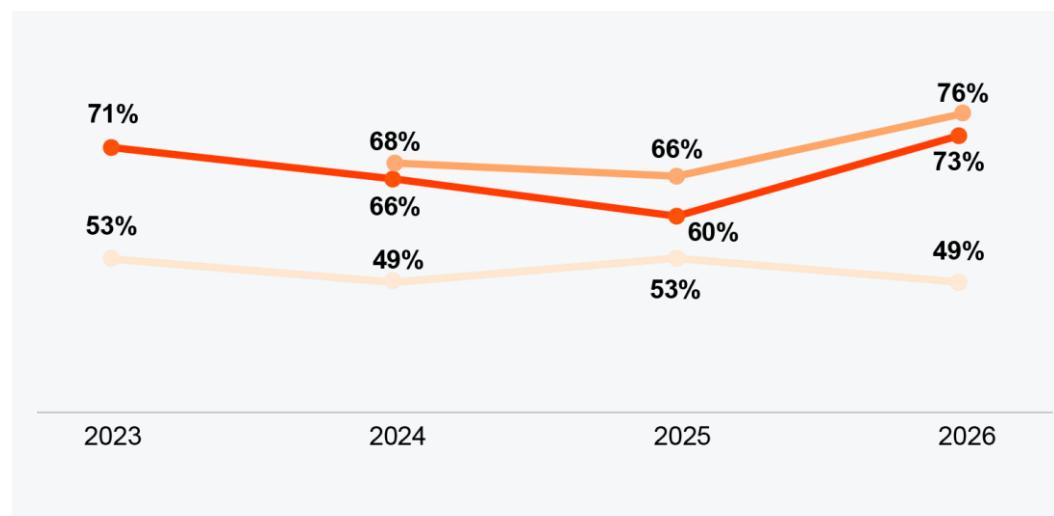


However, the experience of navigating external shocks is enabling leaders to manage this volatility and invest selectively rather than retreat. As a result, 21% of Middle East CEOs this year say they plan to increase new large investments, signalling a forward-looking mindset and a belief that long-term opportunity can still outweigh near-term risk. CEOs in the region also remain strongly optimistic about their company's revenue prospects over the next three years, with 73% of Middle East CEOs expressing high confidence – well above the 49% global average (see Figure 13).

This confidence is rooted in strategic, multi-year planning. Business leaders across the region devote more attention to long-term horizons of five years and beyond than their global peers, reflecting an operating environment shaped by extended national strategies and long-term policy frameworks. Government-led planning cycles in the region provide greater predictability and stability, enabling organisations to look ahead and invest with confidence.

Figure 13

How confident are you about your company's prospects for revenue growth over the next three years?



Q. How confident are you about your company's prospects for revenue growth over the next three years?

85%

Transport and Logistics

76%

Technology, Media, Telecommunications

75%

Energy, Resources & Utilities

75%

Consumer Markets

71%

Health Industries

66%

Financial Services

Your next move:



01. Make cybersecurity a core enterprise control, not a defensive function

As geopolitical and technology risks intensify, CEOs should treat cybersecurity as part of the organisation's core operating model, with clear accountability at the enterprise level. This means aligning cyber strategy with AI governance and data protection priorities, taking early steps into areas such as quantum readiness, strengthening CEO–CISO decision rights, and shifting investment toward prevention, resilience, and recovery rather than incident response alone. Closing gaps in data access, governance and protection is now essential to scaling AI safely and consistently across the organisation. By leveraging managed services, CEOs can build sustainable digital trust as a competitive advantage, signalling a maturing approach to long-term risk.



02. Design supply chains for resilience, not just efficiency

As industrial and manufacturing ambitions accelerate, particularly in the GCC, CEOs should reassess supply-chain design with a sharper focus on security of access to critical inputs. This includes aligning sourcing strategies with geopolitically secure partners and emerging regional industrial, processing and mining platforms, even where this comes at the expense of short-term cost efficiency. The objective is to reduce strategic exposure and ensure continuity over long investment cycles.

The sentiments of more than 300 CEOs across the Middle East point to a region entering its next phase of transformation with confidence and intent.

The next decade will place a greater emphasis on execution. Leaders who are able to steadily embed AI at scale, strengthen innovation capabilities and build resilient ecosystems across talent, technology and supply chains will be well positioned to capture future growth opportunities.

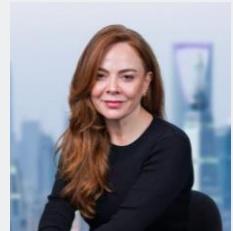
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About PwC's 29th Global CEO Survey

We surveyed 4,454 CEOs in 95 countries and territories from 30 September through 10 November 2025. We received 312 responses across 11 Middle East territories and the sentiments captured in the report reflect views at the time of the survey. The global and regional figures in this report are weighted proportionally to country nominal GDP, so CEOs' views are broadly representative across all major regions. The industry- and country-level figures are based on unweighted data from the full sample of 4,454 CEOs. To learn more about the findings, please visit: <http://www.pwc.com/ceosurvey>.

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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5. [Arab News. AI infrastructure investments mark new chapter for region – Dec 03, 2025](#)
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9. Abu Dhabi's sovereign wealth funds, including Mubadala and ADQ, as well as Saudi platforms such as Jahez, have taken strategic stakes across technology, logistics and energy sectors. At the same time, the expansion of natural gas capacity under the North Field Expansion (NFE) project, is creating significant investment opportunities.[Wamda. Jahez acquires 76.56% stake in Qatar's Snoonu in \\$245 million deal – July 09, 2025](#)
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12. According to the [2025 PwC Middle East Working Capital Study](#), companies across the Middle East continued to deliver strong growth in 2024, with a combined revenue increase of 6.3% year-on-year (YoY), following a 6.4% rise in 2023. This sustained growth was largely driven by the region's ongoing diversification efforts, with non-oil entities recording a 10.6% increase in revenue.
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14. [PwC Middle East. 2025 TransAct Middle East - Mid-year Update – Sep 04, 2025](#)
15. [PwC Middle East. Value in motion – July 07, 2025](#)
16. [PwC Middle East. Value in motion – July 07, 2025](#)
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18. [PwC Middle East. AI and quantum readiness reshape cyber resilience in the Middle East - Oct 28, 2025](#)
19. In Saudi Arabia, PIF-backed Alat and Advanced Electronics Company (AEC) are strengthening these efforts, while in the UAE, MGX, Abu Dhabi's US\$100 billion technology investment platform, is accelerating AI infrastructure and applications through global partnerships while anchoring compute and data locally. In Qatar, MCIT is also expanding sovereign Azure cloud capacity with Microsoft, launching Azure OpenAI locally to strengthen national cloud sovereignty.

Thank you!

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