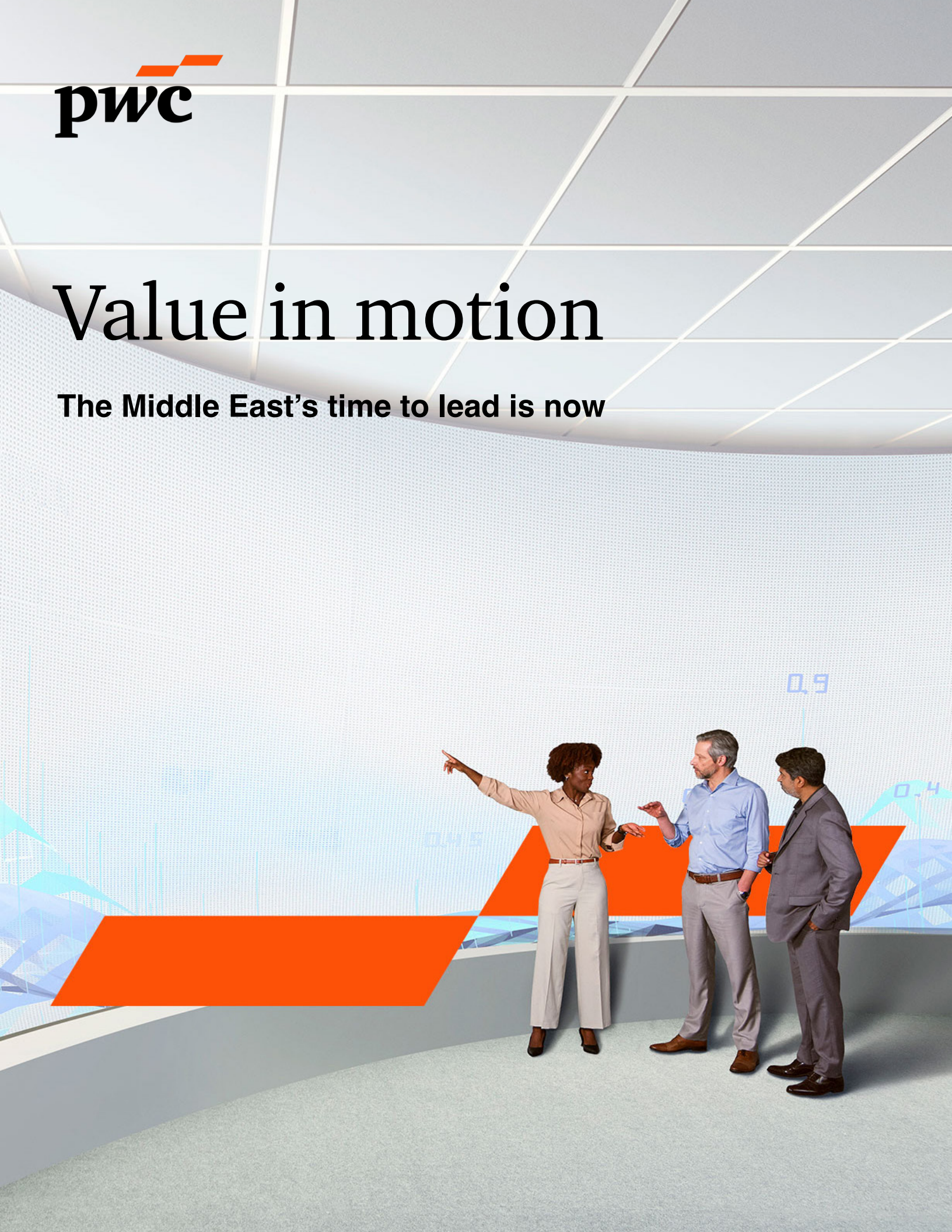




# Value in motion

The Middle East's time to lead is now



## **Trillions of dollars are in motion as AI, climate and trade reshape global growth – setting the stage for a bold new economic future.**

The Middle East is entering a defining decade. Around the world, trillions of dollars in value are already in motion as global systems are reshaped by geopolitical uncertainty, trade disruptions, polarised AI power dynamics and the accelerating impact of climate change.

Driven by the magnitude of the forces at work, traditional industries are converging, transforming how we move, build, fuel, care and connect.

Against this backdrop, the Middle East holds a distinct advantage: access to the world's lowest-cost renewable energy, a competitive AI infrastructure and bold government initiatives that strengthen future-focused sectors. To lead in this new era and capture the value in motion, the region must act decisively – turning its strategic assets into long-term, sustainable growth.

## **See the shifts. Seize the value. Stay ahead.**

**Scan the QR code for the video.**



# The decade ahead

## Value in motion for the Middle East

**\$4.57trn**

The total projected Middle East GDP in 2035, about US\$1trn larger than it is today.

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**\$232bn**

Equivalent to the entire GDP of Qatar – is the additional value the region stands to gain by 2035 if it leverages AI-driven productivity gains and manages the economic impacts of climate change.

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**8.3%**

The potential AI boost to Middle East GDP over the next decade, if adoption is widespread, responsible and focused on productivity gains.

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**13.9%**

The estimated loss for Middle East GDP from physical climate risks by 2035.

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# Foreword



The world is entering a disruptive new era shaped by geoeconomic fragmentation, climate urgency and the accelerating influence of Artificial Intelligence (AI). Traditional alliances are shifting and trade instability is on the rise, as global politics reshape economies. At the same time, industries once considered distinct are converging – driven by digitisation, decarbonisation and supply-chain realignment – to create entirely new ‘domains of growth’.

Against this backdrop, countries with diversified partnerships, energy independence and strong AI infrastructure are best positioned to weather uncertainty. Here the Middle East holds a strategic advantage. With its bold climate commitments, low-cost renewable energy and advanced artificial intelligence (AI) capabilities, the region is driving the next wave of sustainable, tech-enabled progress. The recent flurry of multi-billion-dollar announcements by major AI firms reaffirm the region's accelerating AI ambitions.

The relationship between AI and climate impact is deeply interconnected and will play a pivotal role in shaping how businesses create and capture value in the future.

In this context, our report underscores the opportunity to harness AI-driven productivity gains to leapfrog in priority sectors, while offsetting the economic risks of climate change. By taking this path, the region can position itself as a global leader in climate solutions and emerge as a hub for green manufacturing.

Our research also maps how the broader economic dynamics will evolve under three profoundly different future scenarios, and where value will flow over the next decade.

Looking ahead, we will continue to collaborate with leaders across business, governments and the wider society in our region to navigate this defining era together, seizing opportunities for sustained resilience and growth.



**Hani Ashkar**  
Middle East Senior  
Partner, PwC Middle  
East

“

Energy is not just the engine of progress... It is a cornerstone of peace, stability and ensuring prosperity. The race for AI is not just about code... it's about gigawatts... Meeting this demand is not just a technical challenge, but a 'once-in-a-generation' opportunity.

**Dr. Sultan Al Jaber**

UAE Minister of Industry and Advanced Technology at the opening of the 2025 Global Energy Forum, hosted by the Atlantic Council's Global Energy Centre



# The Middle East in 2035

## Three divergent futures and their GDP projections

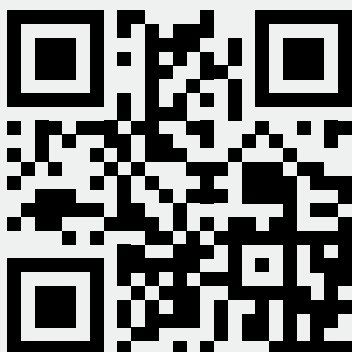
**There is a US\$232 billion gap between the best and worst-case scenarios for the Middle East; a powerful reminder of what's at stake in the decade ahead.**

While much of the world grapples with high levels of geopolitical and macroeconomic uncertainty – economic resilience and stability will hinge on strategic partnerships, investment in technology and access to an affordable clean energy supply. In this context, the Middle East is charting a confident path forward: one defined by a bold vision for the future, innovation and agility. The region is not only strengthening its economic foundations but also emerging as a global leader in climate action, AI innovation and technological transformation. And if it continues to accelerate AI adoption and lead the energy transition, its real GDP could reach up to US\$4.68tn in the next decade.

The path to that future will depend on how the region's economies respond to the interplay between AI, climate change and other emerging technologies – amid fracturing geopolitics and megatrends like demographic shifts and social instability.

To understand how these forces could reshape the region over the next decade and what the impact on GDP growth might be, diverse subject matter experts at PwC have envisioned three distinct economic scenarios. Each is built on a different set of assumptions about geopolitical shifts, AI adoption and trust, and climate uncertainties. These scenarios are designed to spark imagination and will help business leaders anticipate how these forces can drive innovation – will they create greater prosperity or deepen existing challenges?

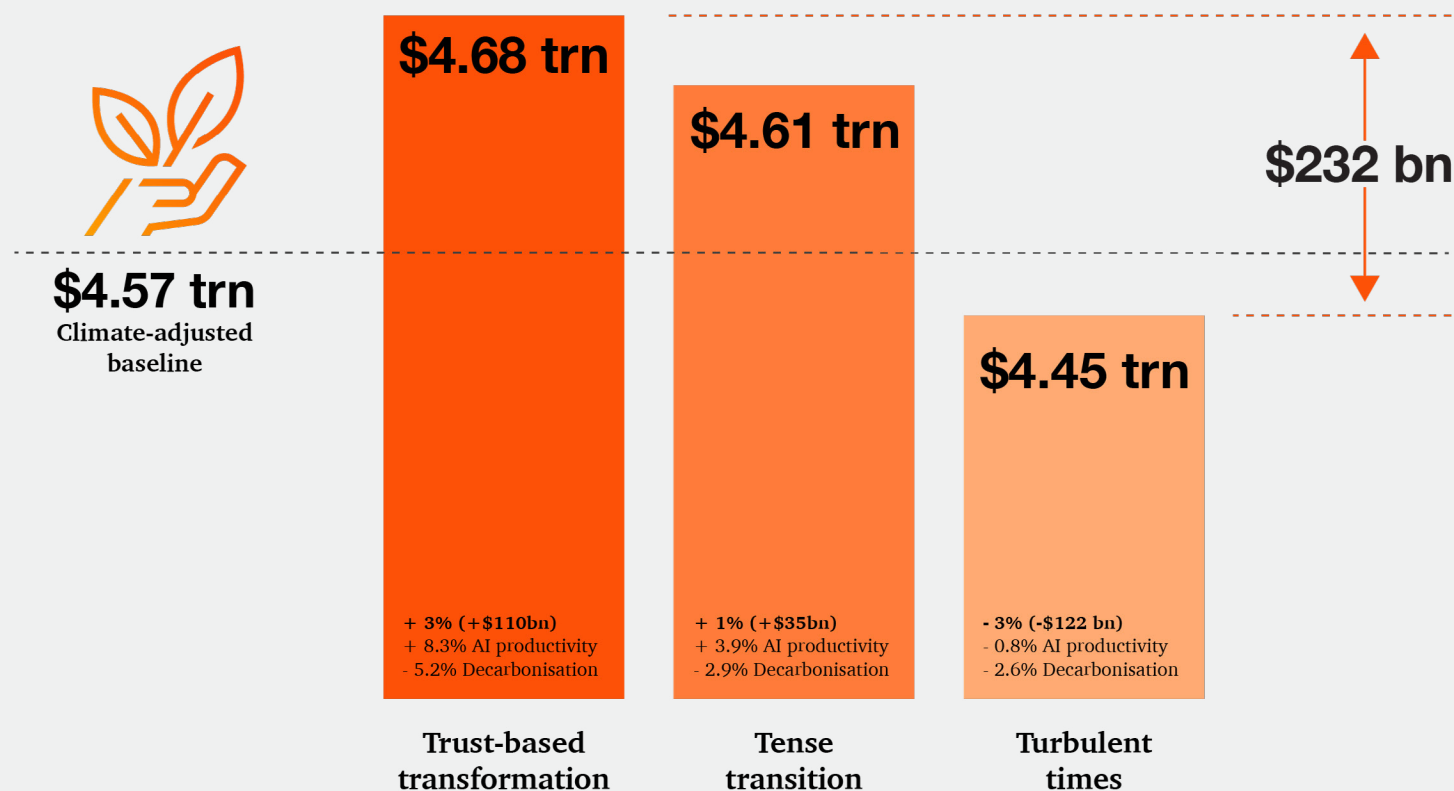
**Scan the QR code for the video.**



**Jing Teow**

Partner, Economic Policy and  
Strategy, Dubai, PwC Middle East

# A baseline for success



Between now and 2035, PwC's modelling for the Middle East projects that under a 'business-as-usual' scenario<sup>1</sup> the regional economy is set to grow by 41.8% in real terms. However, when physical climate risks – such as extreme heat and water stress, drought and flooding – are factored into our economic modelling, they alter some of our baseline assumptions about economic growth, reducing projected GDP growth by 13.9 percentage points.

So, with climate factored in, the Middle East economy is forecast to grow by 27.9%, reaching a **GDP at US\$4.57 trillion in 2035**. This serves as the baseline for assessing these three distinct future scenarios for the region.

# Welcome to three divergent futures for the region in 2035

## 1

### **Trust-based transformation: GDP reaches a peak of US\$4.68 trillion.**

A trust-based transformation represents a scenario where AI and climate solutions work in tandem – aligned with global interests – to drive widespread productivity growth and climate resilience. Here the productivity benefits of AI<sup>2</sup> would significantly exceed the stranded assets<sup>3</sup> costs associated with decarbonisation, leading to growth rates higher than our baseline expectation for economic growth.

**The impact for the Middle East:** In this optimistic scenario, widescale AI adoption drives an 8.3% productivity gain on GDP – easily offsetting the 5.2% loss from stranded assets pushing cumulative GDP growth to 31.0% – US\$4.68 trillion – by 2035, an increase of up to US\$1.11 trillion from the GDP of US\$3.57 trillion today.

---

## 2

### **Tense transition: GDP drops to US\$4.61 trillion.**

A tense transition implies that sustainability efforts are restrained, and technology adoption is more fragmented, less trusted. There are modest gains from AI, which are largely offset by the economic costs of an accelerated climate transition.

**The impact for the Middle East:** In this cautious scenario, conservative AI adoption adds just 3.9 percentage points to GDP, while decarbonisation costs shave off 2.9 points, resulting in cumulative GDP growth of 28.9% – US\$4.61 trillion – by 2035. This indicates a net improvement on GDP of +1.0 percentage points.

---

## 3

### **Turbulent times: GDP further drops to US\$4.45 trillion.**

Turbulent times assumes a fractured future – marked by polarising technologies and suspended sustainability efforts. Rising geopolitical and economic instability could conspire to diminish trust in technology, limiting its economic benefits and accessibility. Heightened uncertainty also neglects sustainability measures at the cost of the future. In this scenario, automation outpaces job creation, reducing employment, while sustainability measures are neglected at the cost of the future. Given the rising volatility, tensions over free or fair trade continue to hinder international collaboration.<sup>4</sup> Growth in this scenario could dip **below the baseline expectations**.

**The impact for the Middle East:** In this challenging scenario, delayed or limited AI adoption knocks 0.8 percentage points off productivity, while higher decarbonisation costs reduce growth by 2.6 percentage points – driving overall GDP growth down to 24.5% at US\$4.45 trillion.

What actually happens in the future will depend on how effectively AI is harnessed and how well Middle Eastern economies navigate the energy transition and manage the economic costs of decarbonisation. The gap between the best and worst-case scenarios in 2035 is US\$232 billion – a powerful reminder of just how much is at stake for the region's future.

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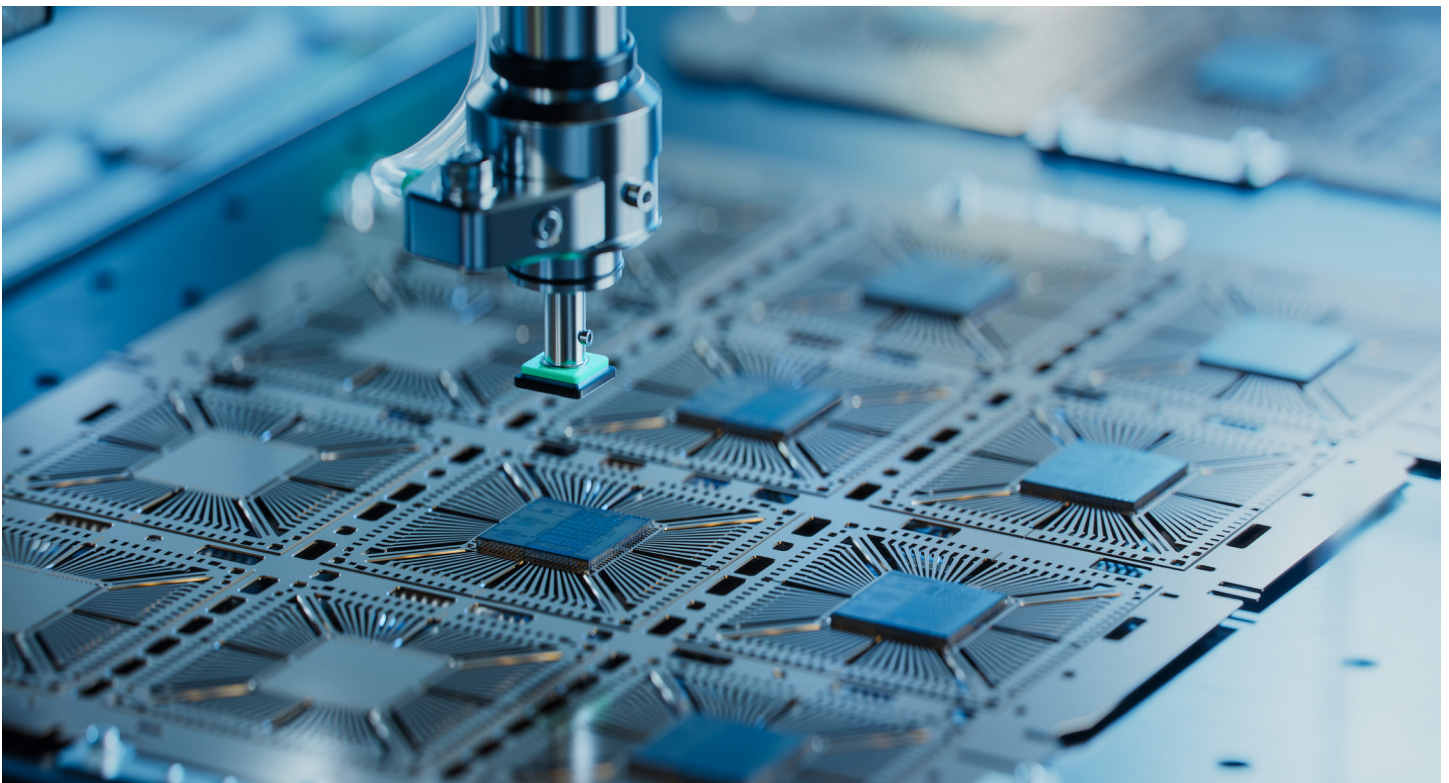




A critical factor will be the interplay between the cost and scalability of AI and the availability and affordability of clean energy needed to power it, especially as AI adoption accelerates in the region at an unprecedented pace. Striking the right balance between these priorities will be essential.

**Dr Yahya Anouti**

Partner, Strategy&, Middle East Sustainability Platform Leader



# Beyond industries

## The new domains of growth

The total projected Middle East GDP in 2035 would be US\$4.57 trillion, with traditional sectors reconfiguring into new ‘domains of growth’.

The same transformative forces driving our scenarios above are also dissolving traditional sector boundaries, blurring the lines between processes and applications, geographies and platforms, and even between humans and machines.

Over the next decade, these traditional sectors will reconfigure to meet human needs – such as how we move, feed, build, fuel and care for ourselves – in entirely new ways, leading to the formation of economic domains.<sup>5</sup>

These domains will also redefine how we connect and compute, fund and insure, and govern and serve our societies to enable the transformation ahead. Organisations will diversify to engage in new ways to meet these human needs, reinventing their approaches to target new client bases, form cross-sector alliances and innovate their service and operating models.

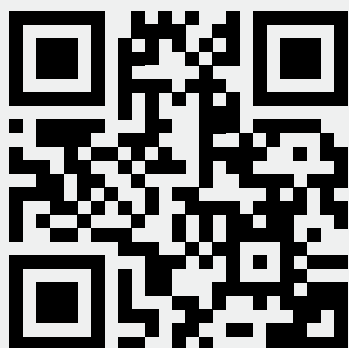
PwC economists estimate that the real GDP of the Middle East will be about US\$1 trillion larger in 2035 than it is today – offering a significant upside for those ready to move quickly and decisively and capture the next wave of value.

The urgency to reinvent among organisations in the region was strongly indicated in PwC’s 28th Annual CEO Survey: Middle East findings, with 60% of regional CEOs stating their businesses wouldn’t remain viable in 10 years or less without adaptation. This heightened concern not only surpasses last year’s levels but also far exceeds the current **global average of 41%**.<sup>6</sup>

Not surprisingly, more than half said they have innovated with products and services within the last five years and 40% have begun competing in new industries or **sectors to grow market reach**.<sup>7</sup>

Several leading regional players are already exemplifying this momentum and moving beyond their traditional boundaries. In the UAE, Careem has become a ‘super-app’, expanding from ride-hailing into food delivery, digital payments, remittances and more. Abu Dhabi’s G42 Healthcare merged with Mubadala Health to form M42, combining AI-driven genomics with world-class patient care. In Saudi Arabia, Aramco’s partnership with EV maker BYD is accelerating the **region’s clean-transport shift**.<sup>8</sup> These moves show how mobility, healthcare and energy leaders are converging to forge entirely new value chains.

**Scan the QR code for the video.**



**Ahmad Abu Hantash**  
Partner, Technology Consulting,  
PwC Middle East

# As industries reconfigure, new domains of growth are emerging

## Industries and sectors, 2023

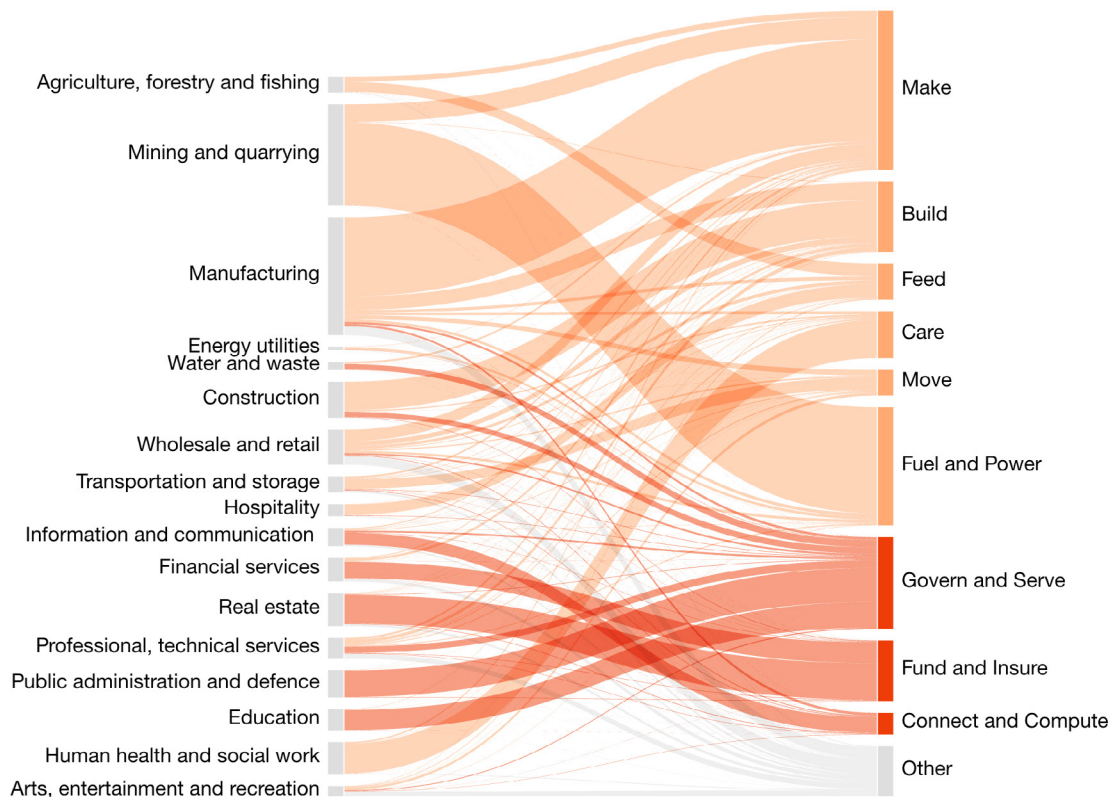
Total value of sectors

**\$3.57tn**

## Domain, 2035

Total value of domains

**\$4.57tn**



Source: PwC research and analysis

This graphic maps the traditional economic sectors today (on the left side of the chart) to the domains that focus on core human needs (on the right), scaled up to 2035. It shows how much value will be in motion amid the large-scale reconfiguration underway. The domains on the right bring together a wide range of economic sectors – as a result they are larger than the traditional sectors and are hence called domains of growth.



# Middle East spotlight

## Industry reconfiguration is already underway

Organisations across the globe and the Middle East are rapidly evolving – breaking down industry boundaries and reinventing business models to unlock new growth. In the process, they are reshaping how fundamental human needs are met.





## Build

### How we Build:

- A regional construction conglomerate has refocussed on sustainable infrastructure in water, energy, social infrastructure and transport and logistics, including a collaboration to build a 10GW onshore wind farm.
- A regional clean energy pioneer has strategically expanded into urban development and smart infrastructure through the creation of a purpose-built urban community designed to be a global model for sustainable living and smart city innovation. It integrates renewable energy, green building standards, IoT-enabled infrastructure, and autonomous transportation systems to reduce environmental impact and enhance urban efficiency. This transformation illustrates how a company rooted in energy infrastructure can evolve into a cross-sector ecosystem builder.

## Care

### How we Care:

- A regional healthcare and technology player has undertaken a bold transformation, partnering with a sovereign investor to merge advanced medical technologies with a world-class clinical care network to create a fully integrated, AI-driven healthcare ecosystem that places the patient at the centre of a tech-enabled, data-driven model.
- Another regional healthcare provider has expanded beyond traditional clinical services into academia, establishing medical education programmes, residency training and research initiatives.

## Feed

### How we Feed:

- A regional ride-hailing app has moved into a rapid delivery service, including food and grocery delivery to a personal item courier and laundry services, in a bid to become a future-proofed “everything app”.
- A regional food company recently announced plans to build a large-scale biotech production hub that will use precision fermentation to create alternative proteins and functional ingredients, positioning the UAE as a regional leader in food innovation.

## Fuel

### How we Fuel:

- A traditional regional utilities operator has transformed into a global renewable energy and green hydrogen leader.
- A regional automotive company has partnered on AI-related climate tech megadeals to bring domestic EV manufacturing to the region, supporting national visions and targets on scaling electric and hybrid vehicle use.

## Make

### How we Make:

- A regional mall and retail developer has harnessed AI and expanded into other industries such as leisure, entertainment and home delivery services to become a data-driven phygital lifestyle brand.

## Move

### How we Move:

- A regional logistics provider has scaled with advanced AI and IoT capabilities to support green initiatives and address complex cargo and multimodal transformation through cross-border e-commerce partnerships.
- A regional fuel delivery start-up has become a comprehensive mobility solutions provider, including EV charging solutions, vehicle maintenance services and partnerships for marine fuel delivery.

## Connect & Compute

### How we Connect and Compute:

- A regional telecoms company has expanded their AI infrastructure and cloud services to tap into the growing demand for accelerated computing power and processing across the region.

## Fund & Insure

### How we Fund and Insure:

- A regional ride-hailing app now offers digital wallets and peer to peer transfer services in the UAE, enabling users to send, request and receive money transfers via phone number, QR code or payment link.
- A regional utility bill payment platform has reinvented itself to provide broader financial inclusion through fintech, with over 90% of its region's banks in its network.

## Govern & Serve

### How we Govern and Serve:

- The government of Qatar has made significant strides in digital transformation, reflected in its rapid advancement in the UN's E-Government Development Index. The focus has been on digitising manual processes and improving access to public services through platforms like the official Hukoomi portal.
- The government of Saudi Arabia has built a pioneering model in providing digital services centred around the citizen, raising the quality of services provided in line with the Kingdom's ambitious vision 2030. The Digital Government Authority paves the way for raising the value of the national economy to achieve beneficiary satisfaction.
- The UAE Centre for Government Digital Excellence aims to accelerate the UAE government's digital transformation by leveraging global best practices and cutting-edge technologies. The centre drives the development of digital government systems and services, enhance digital readiness, and strengthen collaboration with leading tech providers to fast-track progress.



# Powering the shift

## AI, climate, trade and the Middle East advantage

Amidst the disruptions of technological transformation and climate pressure, the region holds two powerful strategic advantages: a leadership in climate action with bold national visions driving ambitious sustainability goals, and its status as an emerging global force in artificial intelligence, with forward thinking governments spearheading a more resilient, tech-enabled future.

This foundation gives the region an edge – an ability to easily navigate the powerful forces that also are reconfiguring the global economy, creating the conditions for a trust-based scenario in the future – one where AI adoption accelerates, climate action scales and regional influence grows.

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.<sup>9</sup>

Source: PwC’s 28th Annual CEO Survey: Middle East findings

Scan the QR code for the video.



**Moussa Beidas**  
Partner, Ideation Lead,  
PwC Middle East

# AI



## Trust, scale and first-mover momentum

Trust in AI is a key differentiator for the region. Half of GCC CEOs say they trust AI to a ‘large’ or ‘very large’ extent – **ahead of just one-third of their global peers**.<sup>10</sup> This confidence has translated into action. Over the past year alone, nearly 70% of regional CEOs who adopted GenAI reported increased time efficiency, and over half saw higher profitability – both significantly above global benchmarks. Looking ahead 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. This will create **new opportunities to build, enhance and capture value**.<sup>11</sup>

AI’s economic potential is massive. And PwC estimates that global GDP could be nearly 15% larger by 2035 if the **AI productivity boom reaches its potential**<sup>12</sup>, while the Middle East would see an AI productivity boom amount to an additional 8.3 percentage points of growth between 2023 and 2035<sup>13</sup>. In the region, governments are investing heavily in AI to drive future growth through national strategies such as Saudi Arabia’s US\$100 billion Project Transcendence to AI investment vehicles such as MGX. Regional Sovereign Investment Funds (SIFs) are also deepening global partnerships to accelerate AI adoption, transforming sectors such as mobility, healthcare, energy and finance.



# Climate



## Turning risks into renewable opportunity

Physical climate risks — including extreme temperatures, floods, biodiversity loss and desertification — are intensifying across the Middle East. PwC's economic modelling suggests physical climate costs could shrink the global economy **by nearly 7% in 2035** while in the Middle East, it could lower the projected economic growth by 13.9 percentage points. These risks are rarely isolated; they trigger cascading disruptions across critical systems, including supply chains, healthcare, infrastructure and natural ecosystems. S&P Global Ratings warns that without stronger investment in adaptation and resilience, up to 8% of the GCC's annual GDP could be at risk by 2050 due to the **escalating impact of extreme weather and environmental degradation**.<sup>14</sup>

But, here too, the region has a competitive edge. It produces renewable energy at the lowest cost globally. Six of the most cost-efficient solar projects globally are found in this region, including the Shuaibah solar project in Saudi Arabia, producing the world's least costly solar energy, with a **record-low price of US\$0.0104 kWh**.<sup>15</sup>

This cost advantage positions the region to drive a large-scale energy transition, with the sovereign investment funds (SIFs) fuelling innovation. **In Saudi Arabia, for example**, the Public Investment Fund (PIF) has partnered with ACWA Power to develop a pipeline of clean energy projects, while in the UAE, Abu Dhabi has launched the **world's first 'round the clock' solar and battery storage project**, allowing renewable energy to be dispatched 24 hours a day, seven days a week. Meanwhile, the Qatar Investment Authority is focusing its investments in zero-emission projects and climate-aligned strategies through the **One Planet SWF initiative**. These strategic moves are strengthening the region's role in global sustainable growth.

# Infrastructure



## Powering the future with sustainable AI

The scale of AI's evolution is closely tied to energy consumption, with both its cost and growth potential dependent on the availability and affordability of clean energy. With the exponential growth of AI's applications, especially in energy-intensive sectors like data centres and cloud computing, many countries around the world will be navigating a rising energy burden.

Over the next five years, global electricity demand from data centres is projected to more than double reaching levels equivalent to **Japan's total electricity consumption today**.<sup>16</sup> The impact will be especially pronounced in certain countries, such as the United States, where data centres are expected to account for nearly half of future electricity demand growth. A diverse mix of energy sources will be used to meet the rising electricity demands of data centres, with renewables and natural gas leading the way due to their cost-effectiveness.

This strategic alignment of clean energy and AI is unlocking a major opportunity for the Middle East, especially at a time when the world races to solve the energy trilemma. The region's renewable energy cost advantage is now being leveraged to fuel a new wave of AI and data infrastructure, positioning the region not only as a sustainability leader, but as an AI powerhouse on the global stage.

# Infrastructure

Major investments from global hyperscalers have seen tech giants such as Microsoft, Amazon, Oracle, IBM and Alibaba Cloud all establish cloud and data centres in the region. As highlighted in our latest report, **‘Unlocking the data centre opportunity in the Middle East’**<sup>17</sup>, regional data centre capacity is expected to triple from 1GW in 2024 to 3.3GW within five years.

Building on the momentum from U.S. President Donald Trump’s visit<sup>18</sup> to the region in May 2025, several key announcements followed, including plans to build the largest AI campus outside of the US which **will eventually have a 5 GW capacity**.<sup>19</sup>

In Saudi Arabia, HUMAIN, a new AI entity backed by the Public Investment Fund (PIF), also revealed deals with global tech giants, all working to establish partnerships that **accelerate AI capability and adoption**.<sup>20</sup>

But the Middle East isn’t just scaling clean energy to meet the growing AI demand it is also using AI to drive its own energy efficiency and emissions reductions. From smart grids to predictive maintenance, the region is harnessing AI to address emissions reduction, energy efficiency and low-carbon solutions. This cycle where green energy enables AI and AI accelerates sustainability gives the Middle East a powerful strategic edge. It’s a model few regions can match.

# Reinvent to stay relevant

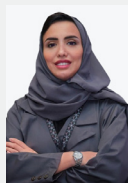
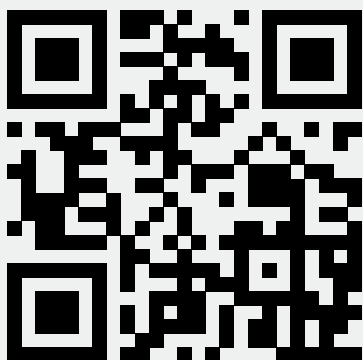
## What organisations must do now

The decade ahead will challenge the region's imagination and capabilities, reshaping an economic model long anchored in hydrocarbons. As the Middle East transitions to a greener economy, government leaders, businesses and academia must reinvent core business, operating, and energy models to stay competitive.

Our research takes a ten-year view – recognising that while today's seismic geopolitical shifts are largely destabilising, they may ultimately force the pendulum in the opposite direction, prompting deeper global cooperation. Over time, our research indicates that there is a potential for these disruptions to strengthen the momentum towards a more trust-based economic transition.

To thrive in this next defining decade, strategic first movers will turn uncertainty into opportunity – laying the foundation for long-term growth and impact.

**Scan the QR code for the video.**



**Hawazen Alhassoun**  
Chief Operating Officer,  
PwC Middle East



# For governments

This means moving beyond traditional silos and reorganising around strategic domains such as energy, food, health and mobility that are increasingly interconnected. The focus must shift from control to enablement, creating the conditions for innovation, resilience, and inclusive growth.

Key actions include:

- **Reconfigure government structures around domains, not departments:** These would catalyse the shift from siloed sectors to integrated domains of growth. This will enable governments to govern according to core human needs – such as care or connection – rather than outdated industry classifications to better support innovation, respond to complex challenges and deliver more integrated public services.
- **Create dedicated funds to accelerate AI adoption:** Invest in high-impact use cases and AI infrastructure, particularly in public services and mission-critical sectors like healthcare, education, and mobility.
- **Build national champions and propel private sector growth around them:** Support the emergence of regionally competitive tech leaders who can anchor innovation and strengthen government-to-government alliances globally. National tech champions can provide the economies of scale for innovation, talent attraction, job creation, large-scale investment and exports.
- **Identify and eliminate inefficiencies:** Modernise legacy systems, freeing up capital for strategic investments in education, infrastructure and healthcare. At the same time, foster a culture of experimentation and collaboration by establishing regulatory sandboxes and open innovation labs that enable safe testing of new technologies.
- **Strengthen government-to-government (G2G) alliances:** Expand geopolitical influence and unlock new economic opportunities. As regional countries emerge as global geoeconomic powerhouses, deepening strategic ties with other key economies can strengthen joint ventures in key sectors of energy, AI and infrastructure. These alliances should be leveraged not only to advance national interests but to establish the region's growing global weight.



# For business leaders

In the Middle East, sectors such as manufacturing, logistics and construction face mounting pressure to localise, digitise and decarbonise – with many organisations still relying on legacy business and operating models that limit their adaptability. To stay competitive, business leaders must embrace proactive reinvention.

Key actions include:

- **Reimagine business models:** Develop new models that transform how value is created, delivered and captured. Leverage AI as a driver of innovation and embed sustainability, not just for efficiency, but for long-term growth to address the real risk of stranded assets.
- **Build flexible, tariff-resilient supply chains:** In the region, supply chains are already under significant pressure from rising geopolitical uncertainty and fluctuating oil prices. To manage new layers of complexity and cost to global trade, businesses will need to evaluate how their supply chains, partnerships and logistics strategies align with global and regional security concerns. They must build resilience by strengthening their local networks for both intelligence and continuity, diversifying suppliers and routes to avoid over-reliance on any single area and identifying products and markets that matter most.
- **Form strategic alliances:** Forge partnerships across geographies and industries to tap into new markets and innovation opportunities. Regularly review pricing strategies to remain profitable in a shifting trade landscape.



# For academia

As the Middle East accelerates digital transformation to boost economic growth, it's critical to focus on the future workforce to unlock the full prize of AI and climate innovation. Building future capabilities - through education, upskilling – will be key to ensuring long-term competitiveness.

Key actions include:

- **Invest in talent development:** Overhaul education systems to equip future generations with computational skills, sustainability mindsets, and expertise in future-focused fields such as green engineering, synthetic biology, and advanced materials - ensuring a resilient talent pipeline capable of driving innovation and enabling long-term economic transformation.
- **Create regional research hubs and think tanks:** Position leading local universities as knowledge engines for national development by investing in world-class research centres focused on strategic priorities like clean energy, bioengineering, and climate resilience.
- **Embed entrepreneurship in academic culture:** Equip students and researchers with the tools to build startups, spinouts and social enterprises – helping to diversify economies and generate homegrown technology solutions and discoveries.

The stakes for the region have never been higher – or more exciting. The combined evolution of AI innovation and clean energy adoption represents a timely convergence that bolsters the region's sustainable growth and economic resilience.

With world-beating renewable energy costs, bold national visions, strategic investment in digital infrastructure and a growing cohort of future-focused businesses, the Middle East is not just adapting to disruption – it's poised to shape what comes next in this defining decade.

But the path forward will require coordinated action between business, government and society to reimagine industries, accelerate localisation, scale innovation, and build resilience into the foundations of the economy.



**Now is the time to act.**





# References

- 1 This assumes moderate progress in economic, population and technological areas, and no significant external shocks or policy interventions.
- 2 AI productivity gains: AI productivity gains refer to the improvements in efficiency, output, or performance achieved by using responsible artificial intelligence technologies in various tasks, processes, or workflows. Such gains would depend on the fundamental rewiring of functions and tasks in organisations, which will come about only if the AI really works, it's responsibly deployed, and it's therefore deeply trusted.  
Our research shows that the global economy could be nearly 15% bigger than expected in 2035 if AI delivers a jolt to productivity comparable to the productivity booms ignited in the past by foundational technologies like electricity. The AI growth dividend also depends in part on the global economy replacing the tasks AI takes over with new ones for people to perform.
- 3 Stranded assets: Stranded assets are investments or resources that have lost economic value or become obsolete before the end of their expected useful life, often due to external changes such as market shifts, regulatory actions, or technological advancements. As the world moves towards decarbonisation, stranded assets will be replaced by lower-carbon alternatives, resulting in sector-level shifts in investment, consumption, and output across different scenarios.
- 4 <https://www.pwc.com/gx/en/issues/value-in-motion/leader-guide-value-in-motion.html>
- 5 Emerging economic zones that transcend traditional industries, shaped by megatrends such as AI, climate change, and evolving consumer demands. They are collections of ecosystems aligned with customer/human needs
- 6 <https://www.pwc.com/m1/en/ceo-survey/28th-ceo-survey-middle-east-findings-2025.html>
- 7 <https://www.pwc.com/m1/en/ceo-survey/28th-ceo-survey-middle-east-findings-2025.html>
- 8 <https://sustainabilmag.com/articles/why-oil-giant-aramco-is-working-with-ev-maker-byd>
- 9 <https://www.pwc.com/m1/en/ceo-survey/28th-ceo-survey-middle-east-findings-2025.html>
- 10 <https://www.pwc.com/m1/en/ceo-survey/28th-ceo-survey-middle-east-findings-2025.html>
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- 15 The Arabian Gambit
- 16 <https://www.iea.org/news/ai-is-set-to-drive-surging-electricity-demand-from-data-centres-while-offering-the-potential-to-transform-how-the-energy-sector-works>
- 17 <https://www.pwc.com/m1/en/media-centre/articles/unlocking-the-data-centre-opportunity-in-the-middle-east.html>
- 18 US President Donald Trump's recent visit to the Middle East resulted in almost \$700 billion in investment pledges across the region, including major commitments spanning energy, defense, and technology. Such investments reinforce the value in motion across the global economy. The AI sector gained the most – with one third of the deals made targeting AI and digital infrastructure. Some of the stand-out projects announced include: the preliminary agreement for the UAE to import 500k Nvidia's advanced AI chips annually; Open AI establishing a hyperscale data center in Abu Dhabi; AWS's partnership with HUMAIN to develop and "AI Zone" in Saudi; AMD investing up to US\$10bn in AI infrastructure in Saudi; and Data Volt announcing a US\$20bn investment in AI data centers and energy infrastructure in the US.
- 19 <https://www.reuters.com/world/china/uae-set-deepen-ai-links-with-united-states-after-past-curbs-over-china-2025-05-15/>
- 20 <https://www.forbes.com/sites/saradorn/2025/05/15/us-will-build-massive-ai-data-center-in-abu-dhabi-see-the-list-of-deals-trump-announced-in-the-middle-east/>

## Explore further

To further explore our value in motion data, and understand more about what it means for your sector and different territories worldwide, visit our global research site.

**Scan the QR code to visit the website.**



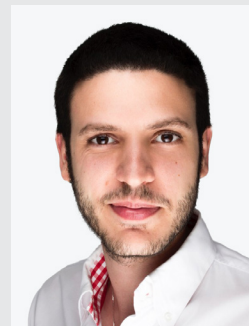
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