

Majid Al Futtaim Launches Inaugural MENAP Economic Integration Barometer at Davos 2023

- World's first MENAP Economic Integration Barometer creates standardised definitions and measurement tools for economic integration
- The Barometer tracks progress on four key integration metrics: trade, intangibles, capital, and people

Dubai, UAE & Davos, Switzerland, January 18, 2023: Majid Al Futtaim, the leading shopping mall, communities, retail and leisure pioneer across the Middle East, Africa, and Asia, has announced the launch of the world's first MENAP Economic Integration Barometer at Davos 2023, in partnership with the World Economic Forum and McKinsey & Company.

The Barometer, which has been developed to systematically track progress on an annual basis, will offer a deeper understanding of the status of MENAP economic integration, and the region's interconnectedness with other world markets.

Ahmed Galal Ismail, Chief Executive Officer at Majid Al Futtaim – Holding, will discuss the Barometer during a special session on closer economic integration that explores how common standards, selective deregulation, the sharing of data and the free movement of goods and services could catalyse inter- and intraregional trade across the region and help unlock its full economic potential.

Designed to trigger dialogue and foster collective action by following the region's progress across four key metrics - trade, intangibles, capital, and people - the Barometer will provide stakeholders with tools to help standardise the interpretation and definition of economic integration. A major insight from developing the Barometer was the scarcity of data available and inconsistency in which the different metrics are measured.

Ahmed Galal Ismail, Chief Executive Officer at Majid Al Futtaim – Holding, said: "Since publishing our inaugural report into the impact greater economic integration could afford the MENAP region, we have seen a number of impressive and important steps taken to foster improved intra-regional prosperity. Whilst extremely encouraging, these efforts have also highlighted the development disparity across the MENAP region. We recognise that now, more than ever in this age of geopolitical instability, economic uncertainty, and climate crisis, that our success hinges on our collective efforts to champion improved economic integration across our region.

The MENAP Economic Integration Barometer presents a baseline from which to assess our progress, providing transparent and systematic tracking to trigger dialogue and initiate action. Our aspiration is to publish an updated barometer, coinciding each year with the World Economic Forum, and engage with key stakeholders at Davos on the results and the key imperatives to drive incremental progress."

Over several months, Majid Al Futtaim has worked with McKinsey Global Institute to develop a barometer capable of providing real-world insights that demonstrate where the region stands today, how it is evolving and where progress will take it, all based on real-world metrics. Furthermore, with the support of the regional and global community, a repository of clean, granular and consistent data can now be collected, which will allow the MENAP Economic Integration Barometer to evolve over time to play that role.

Highlights from the first MENAP Economic Integration Barometer

- The dearth of trade between countries in the region is laid bare in the inaugural MENAP Economic Integration Barometer, which shows that intraregional exports account for only 2.9% of total MENAP GDP. This compares to a global average of 7.9% and 22% across the European Union (EU), Norway, Switzerland, and the UK. However, when looking at the power of the region to supply goods abroad, MENAP dominates other regions, with global exports valued at 34% of GDP compared to a global average of 25.5%.
- 22% of MENAPs trade to the world stems from fossil fuels, with an additional 7% from metals and chemicals. As such, MENAP, a cluster of individually resource-rich countries with fewer distinct manufactured goods (non-oil-based) to export, has less trade between regions as a portion of GDP.
- The lack of integration is not confined to physical goods. The intraregional flow of intellectual property (IP) is just 1.4% compared to 62% in the EU, Norway, Switzerland, and the UK with much of the latter being driven by pharmaceutical developments, bio-tech ideation, and aerospace innovation.
- FDI inflows to MENAP lags top performing regions, and MENAP countries have lower investments in each other relative to other regions. However, this is not uniform across countries in MENAP; Dubai has been ranked the world's top destination for FDI for 2 consecutive years.
- The MENAP region does, however, perform better than much of the rest of the world on unemployment numbers, with only 7.4% compared to the global average of 7.6%. However, the barometer also raises concerns about migratory trends in the region. In 2019, nearly 15 million people migrated intra-regionally in MENAP, with approximately 50% of all professionals who moved, leaving the region completely. This compares to only 0.5% of the total population leaving North America in 2021, compared to MENAPs 2%. One can assume that sufficient working, studying, and living opportunities are the key drivers.

Majid Al Futtaim's work in developing the MENAP Economic Integration Barometer follows several years of leadership in promoting discussion on the importance of economic integration as an enabler of sustainable and inclusive economic development. The company's first report - *A Perspective on the Economic Potential of the MENAP Region* was launched in 2020, followed by a revised edition, *The Time is Now: Unlocking the Economic Potential of MENAP*, which was released at the May 2022 World Economic Forum Annual Meeting.

Click [here](#) to join the livestream session taking place at the Annual Meeting 2023, 18 January, from 14.15 - 15.15 (CET). More information on the Economic Integration Barometer can also be [downloaded](#).

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About Majid Al Futtaim

Founded in 1992, Majid Al Futtaim is the leading shopping mall, communities, retail and leisure pioneer across the Middle East, Africa and Asia.

A remarkable business success story, Majid Al Futtaim started from one man's vision to transform the face of shopping, entertainment and leisure to 'create great moments for everyone, every day'. It has since grown into one of the United Arab Emirates' most respected and successful businesses spanning 17 international markets, employing more than 41,000 people, and obtaining the highest credit rating (BBB) among privately held corporates in the region.

Majid Al Futtaim owns and operates 29 shopping malls, 13 hotels and four mixed-use communities, with further developments underway in the region. The shopping malls portfolio includes Mall of the Emirates, Mall of Egypt, Mall of Oman, City Centre malls, My City Centre neighbourhood centres, and five community malls which are in joint venture with the Government of Sharjah. The Company is the exclusive franchisee for Carrefour in over 30 markets across the Middle East, Africa and Asia, operating a portfolio of more than 400 outlets including City+, the region's first checkout-free store, and an online store.

Majid Al Futtaim operates more than 600 VOX Cinemas screens as well as a portfolio of world-class leisure and entertainment experiences across the region including Ski Dubai, Ski Egypt, Dreamscape, Magic Planet, Little Explorers and iFLY Dubai. The Company is parent to a Fashion, Home and Specialty retail business representing international brands such as Abercrombie & Fitch, Hollister, AllSaints, lululemon athletica, Crate & Barrel, LEGO and THAT, a Majid Al Futtaim fashion concept store and app. In addition, Majid Al Futtaim operates Enova, a facility and energy management company, through a joint venture operation with Veolia, a global leader in optimised environment resource management.

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