

PRESS RELEASE

Majid Al Futtaim Report Charts Private Sector Path Toward Economic Integration in MENA

- *Cross-sector collaboration could lead to almost USD1 trillion in additional GDP for the region*
- *Improving intra-regional FDI by 2% would lead to incremental gain of USD9 billion*
- *Adjusting trade barriers and realising logistics efficiencies set to catalyse regional growth*
- *Increasing opportunities for MENA talent set to elevate regional prosperity*

Dubai, UAE & Davos, Switzerland, January 17, 2024: Majid Al Futtaim, the leading shopping mall, communities, retail, and leisure pioneer across the Middle East, Africa, and Asia, announces the launch of its *'Picking up the Pace of Change: Opportunities to Accelerate Economic Integration Across MENA'* report at the 54th Annual Meeting of the World Economic Forum (WEF) in Davos, Switzerland.

The Report presents an in-depth assessment of the dimensions of free movement most able to influence economic integration across the region and in doing so, unlock almost USD1 trillion in additional GDP growth. By tracking four key metrics – the flow of goods and services, the flow of capital, the flow of people, and the flow of data – and assessing regulatory frameworks, trade and market structures, as well as initiatives designed to stimulate investments and trade against other regional blocs, the Report highlights collaboration opportunities for private and public sectors to drive greater economic growth .

Ahmed Galal Ismail, Chief Executive Officer at Majid Al Futtaim, said: “Despite facing global and regional challenges, the MENA region is seeing rapid growth and economic improvement. Yet, with its share of world GDP at 3.3% falling short of its 4.2% global population share, bridging this gap could unlock nearly USD1 trillion in additional GDP, fuelling the region's aspirations and boosting prosperity for its people.”

He continued; “The role of the private sector in driving regional growth is critical to the collective success of all who inhabit the MENA region. Our role in providing the innovation, investment, and entrepreneurship is essential for the region’s economic transformation. Together, working in partnership to uplift our individual and collective contribution, we will usher in a new era of sustainable growth and prosperity.”

The report marks the culmination of four years of research since 2020, the company first launched its Economic Integration Initiative at the World Economic Forum’s Annual Meeting. It underscores the progress made since identifying three pivotal levers for boosting MENA's economic integration: fostering competition through selective deregulation; enabling the free flow of goods, services, capital, and data for seamless cross-border trade and mobility; and harmonizing market norms to reduce compliance costs for companies operating in multiple markets.

Leveraging the MENA Economic Integration Barometer

This year's data reveals that while intra-regional trade in MENA has grown significantly since 2016, it accounts for just 14% of total global trade and 16% of Foreign Direct Investment. Approaching ASEAN's benchmarks of 19% and 18% in these areas could potentially unlock an additional US\$9 billion in FDI for

MENA. Additionally, the region must concentrate on developing regional talent and job creation, crucial for reducing the 'brain drain' to Europe and North America, while harmonizing data regulations to enhance AI adoption and technology sector growth.

The Importance of the Food and Retail Sector for MENA's Economic Integration

The research also analysed all major sectors of MENA's economic activity to help decision makers pinpoint areas where opportunities for further economic integration could be unlocked first, and the food and retail sector stood out. Tapping into the sector's potential, the report found, would require substantial private sector investment to increase the capacity of cross-border supply chains, particularly with cold-chain infrastructure – which was identified as the main hurdle.

Other sectors with the potential to bolster economic integration across MENA include technology; industry and manufacturing; and banking and financial services.

“It is our hope that we are able to bring together like-minded organisations, from across all sectors and industries to explore ways in which we can individually and collectively create an environment of common good, where what serves our organisations also better serves the communities in which we operate,” concluded Ismail.

Download the full report [here](#)

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About Majid Al Futtaim

Founded in 1992, Majid Al Futtaim is a diversified lifestyle conglomerate spanning 16 countries across the Middle East, Africa and Asia. The company employs 46,000 people representing 114 nationalities and welcomes 600 million customers to its shopping malls, communities, retail and entertainment destinations each year.

With owned assets valued at US\$18 billion, Majid Al Futtaim has the highest credit rating (BBB) among privately-held corporates in the region. The company is committed to becoming Net Positive in water and carbon by 2040.

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