

It's great doing business together...

In the Middle East,
North Africa and
Türkiye



Table of contents

3-5	Why HSBC?
6-12	Why MENAT?
13-16	Sustainable finance and investment
17-19	BRI in MENAT
20-25	HSBC's Capabilities
26-93	HSBC MENAT Markets
94-106	Regional Sector view



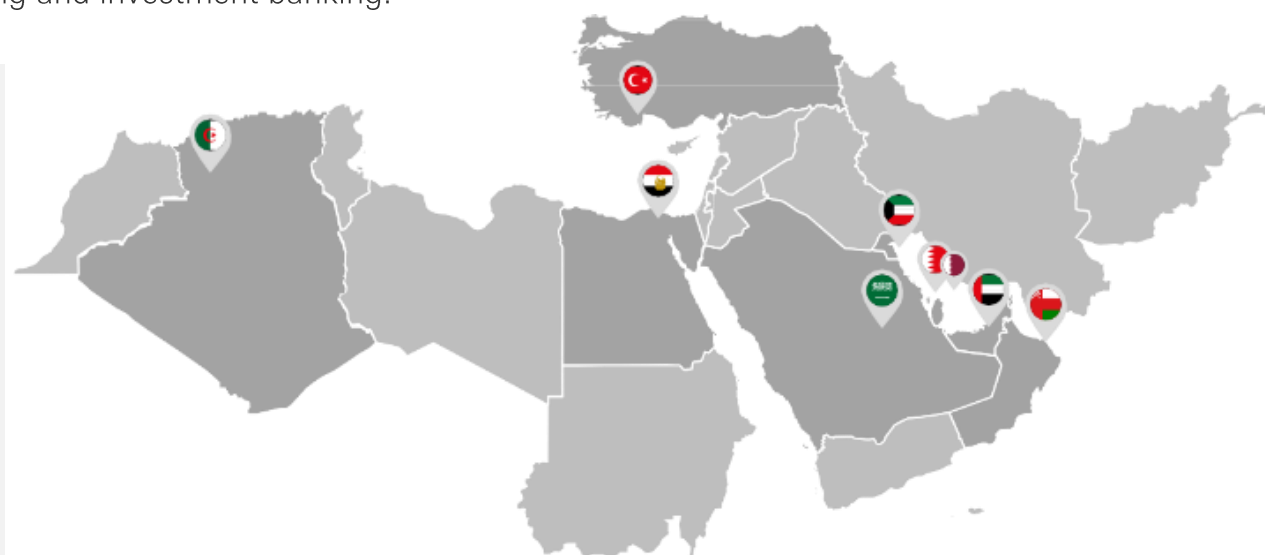
Why HSBC?

HSBC has a proud history of more than 130 years in the MENAT region.

HSBC is the leading international bank in MENAT, across 8 markets, offering a full product offering across retail, private banking, corporate banking and investment banking.

HSBC operates in more than 62 countries and territories around the world, giving us access to over 90% of all world trade flows – covering the developed and developing markets that matter most to our customers.

We have a longstanding presence and vast coverage in MENAT, across nine countries, offering you a seamless service across the region.



Algeria

Branches: 4
CMB | GBM
Employees: 97



Bahrain

Branches: 2
WPB | CMB | GBM
Employees: 180



Egypt

Branches: 55
WPB | CMB | GBM
Employees: 1,583



Kuwait

Branches: 1
CMB | GBM
Employees: 61



Qatar

Branches: 4
WPB | CMB | GBM
Employees: 272



SAB

Branches: 108
WPB | CMB | GBM
Employees: 4,300



HSBC Saudi Arabia

Branches: 1
GBM
Employees: 191



Turkey

Branches: 85
WPB | CMB | GBM
Employees: 1,909



UAE

Branches: 8
WPB | CMB | GBM
Employees: 2,604

“ HSBC has built a 157-year history, over 130 of that in the region, based on stability, dependability and innovation.

We understand the importance of supporting businesses and delivering an excellent customer experience, enabling you to focus your energy on your business.

Across the Middle East, North Africa and Turkey (MENAT) region

HSBC helping businesses thrive



HSBC awards and recognition



Euromoney’s Awards for Excellence 2022

Middle East's Best Investment Bank
Middle East's Best Bank for Sustainable Finance
Best bank for ESG in Egypt
Best investment Bank in Saudi Arabia
Best investment Bank in Kuwait
Best investment Bank in Oman



Euromoney Market Leader Trade Finance Survey 2023

Market Leader for Trade Finance Globally
Market Leader for Trade Finance in the Middle East



Risk Awards 2021

FX Prime Broker of the Year



Global Capital Bond Awards 2022

Most impressive bank for Middle East Bonds



Euromoney Cash Management Survey 2021

Best Domestic Cash Manager in Bahrain



Euromoney Best Service Trade Finance Survey 2022

Best Trade Finance Bank in Bahrain, Kuwait, Oman



Global Investor MENA 2022 Awards

Regional Best Sub-custodian
Best Global Custodian
Best Regional Fund Administrator



IFR Awards 2021

Middle East Bond House of the year



Why MENAT?



Regional Outlook

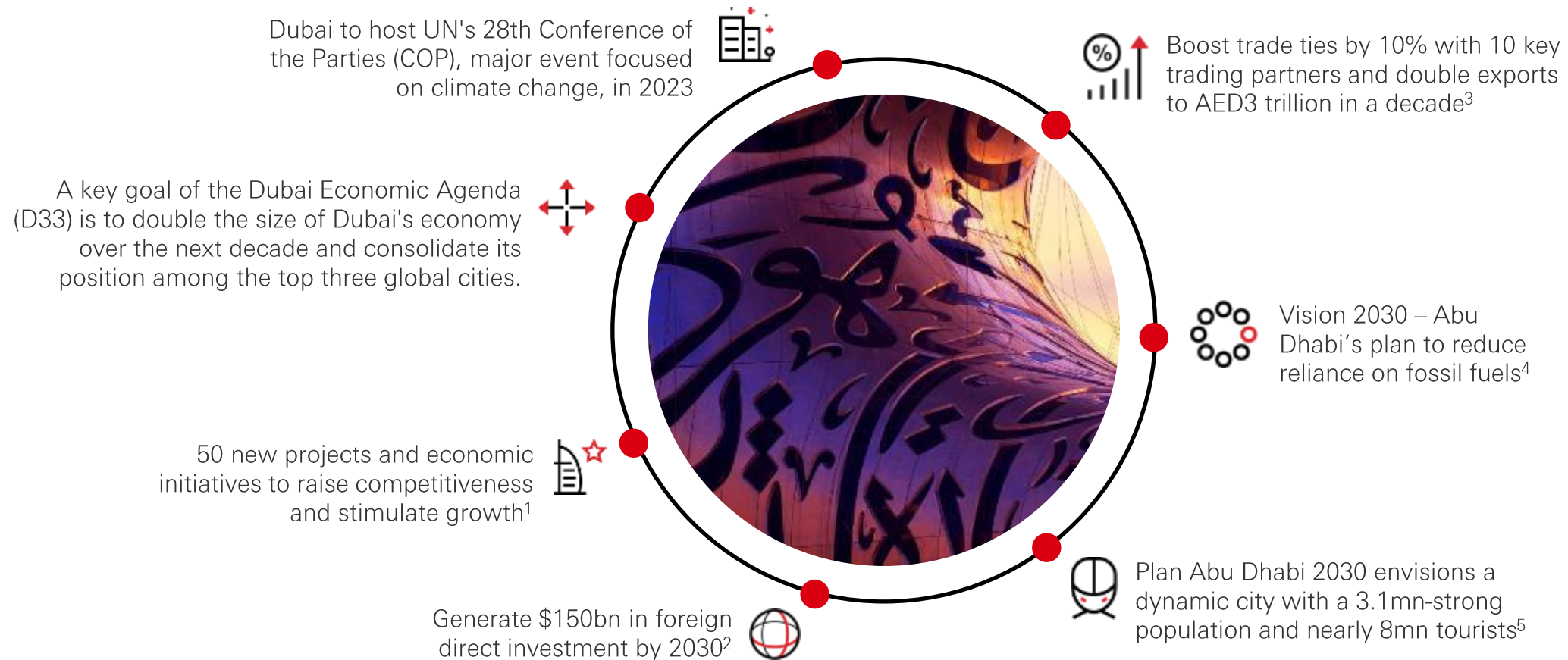
Trends



Current Outlook

UAE

Towards the next 50 – UAE

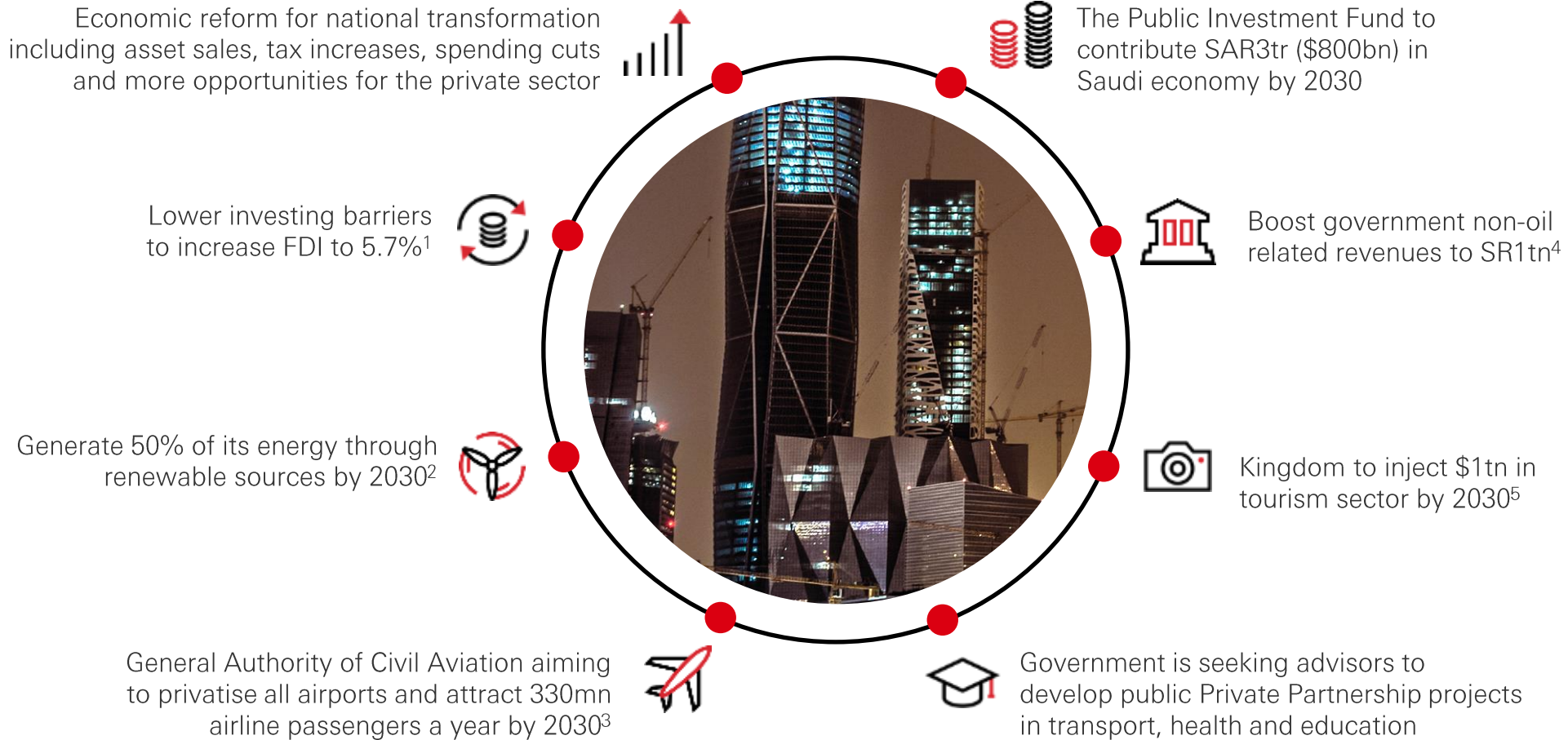


1. Wam.ae, 2021;
2. Wam.ae, 2021; Wam.ae
3. 2020
4. The National, Business, 2015;
5. U.ae, 2021

Current Outlook

Saudi Arabia

Vision 2030 – Saudi Arabia



1. The National, 2018;
2. Spa.gov.sa, 2017;
3. Saudi Gazette, 2020;
4. The National, 2017 ;
5. The National, 2020

Current Outlook

Egypt

Egypt Vision for Sustainable Growth

Accelerate Egypt's economic development to a balanced, knowledge-based, competitive and diversified economy, with stable macroeconomic environment and a real GDP per capita reaching high-middle income countries level

Produce 42% of the country's energy from renewable sources by 2035 and becoming a regional and Global HUB for energy

Sovereign-funded sustainable development goals set to boost economic infrastructure projects and attract investment of US\$50bn¹

Establishing new urban communities to achieve integrated development including the New Administrative Capital, Egypt's largest project in modern Egypt

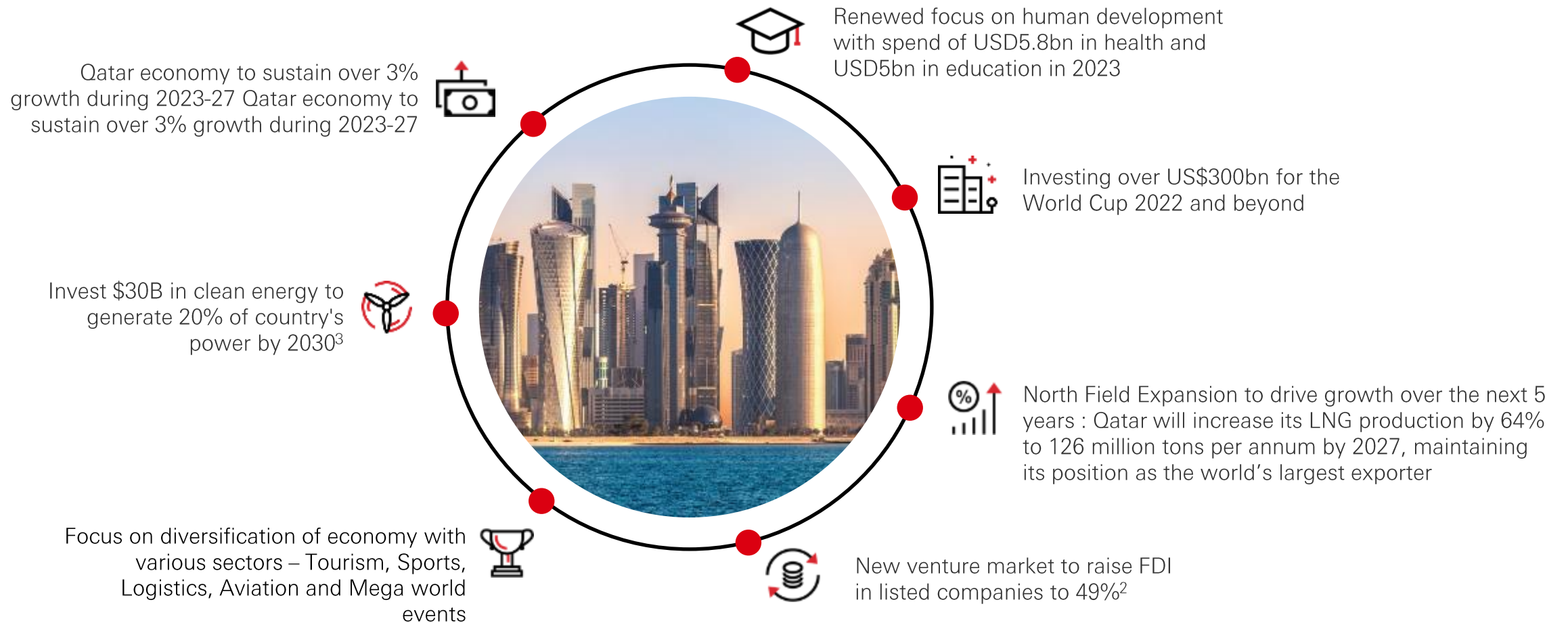


1. https://ecdpm.org/wp-content/uploads/Great_Insights_vol7_issue2_Leveraging_Private_Investment.pdf;
2. <https://www.nytimes.com/2015/08/07/world/middleeast/suez-canal-channel-egypt.html>

Current Outlook

Qatar

National Vision 2030 – Qatar

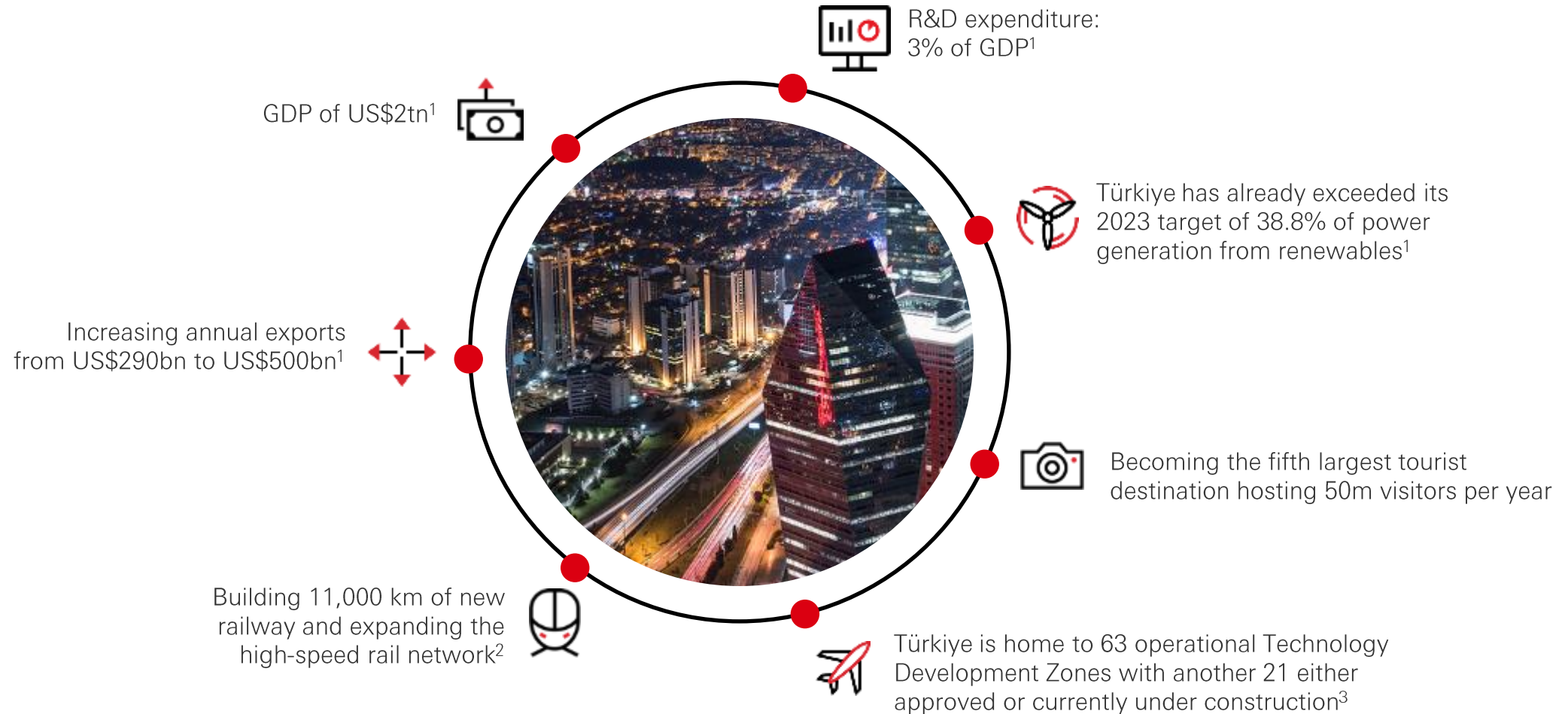


1. Arabian Industry, Banking & Finance, 2014;
2. Reuters, 2014;
3. Mordorintelligence.com, 2021
4. The Guardian, 2017

Current Outlook

Türkiye

Vision 2023 – Türkiye



1. [iea.org](https://www.iea.org/). 2021;
2. ITE Transport & Logistics, 2017;
3. [Invest.gov.tr](https://invest.gov.tr/), 2021

Sustainable finance and investment



HSBC aims to be the leading bank in sustainable finance and investment

“At HSBC we want to partner with companies to build a climate-friendly economy, and are helping them find efficiencies in their supply chains or adapt their business model so they can reap the benefits of going green.” Noel Quinn, Group Chief Executive Officer

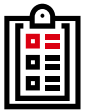
Becoming a net zero bank



Align our **financed emissions** to **achieve net zero by 2050 or sooner**



Use the **Paris Agreement Capital Transition Assessment Tool (PACTA)** to develop transition pathways



Make regular, transparent **TCFD disclosures** to communicate progress, and encourage customers to do the same



Collaborate with stakeholders to develop a **globally consistent standard** to measure financed emissions



Be net zero in our operations and supply chain by 2030 or sooner.

Supporting our customers



Dedicated ESG Solutions Unit to **support customers** on their journey to lower carbon emissions



Provide **between USD750bn and USD1trn** of financing and investment over the next 10 years to support transition



Increase our portfolio of **transition finance solutions** to help even heavy-emitting sectors to progressively decarbonise



Apply a climate lens to our financing decisions across developed and developing economies

Unlocking new climate solutions



Help transform **sustainable infrastructure** into a global asset class, and create a pipeline of bankable projects



Target \$100m CleanTech investment within our technology venture debt fund **to support CleanTech innovation**



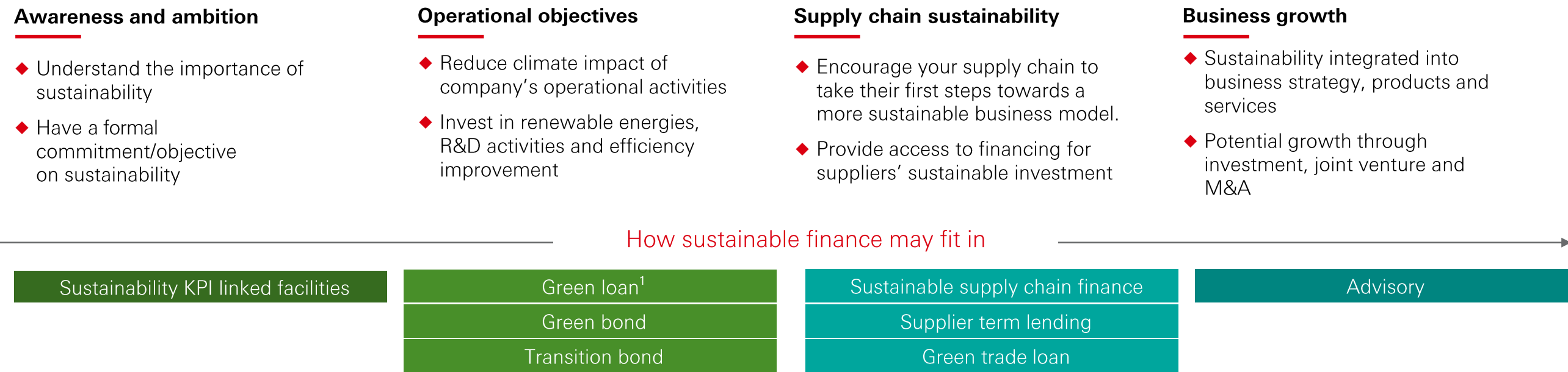
Launch **\$100m philanthropic program** to bring emerging climate solutions to scale between now and 2025



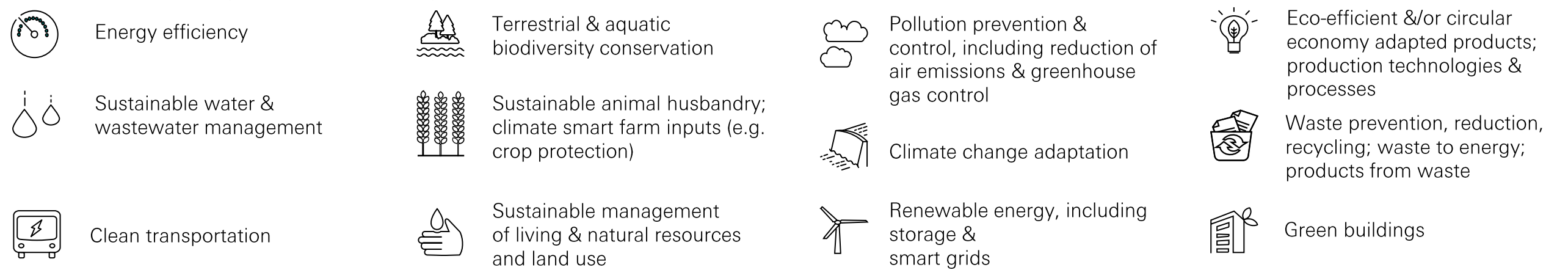
HSBC Pollination Climate Asset Management – in order to build **a leading natural capital manager**

Where can sustainable financing help in your journey?

Companies: Moving towards a more sustainable future



¹Green Loans to support green projects including, but not limited, to:



Sustainable Finance

A high-growth market driven by client demand and already well established & standardised

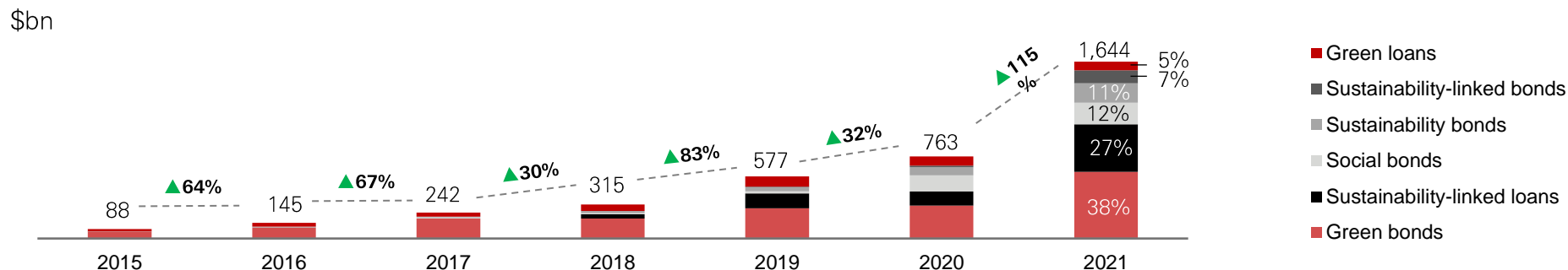
Global Market Overview

- ♦ The growing relevance of Sustainable Lending was evidenced through \$521bn worth of proceeds issuance in 2021, an increase of 142% YoY.
- ♦ Sustainable Finance bonds were also in demand, totaling \$1.1tr in 2021, a 105% increase from previous year.

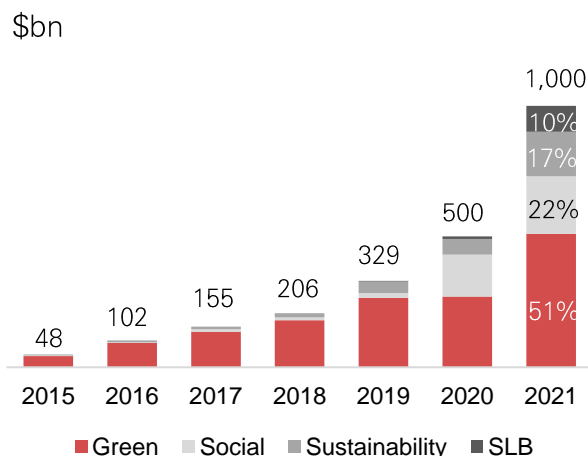
MENAT Market Overview³

- ♦ MENAT Sustainable finance market grew 4 times from 2020 to 2021, reaching reached c. \$33bn
- ♦ In 2021, the market was split with sustainable loans making up 72% of the total and sustainable bonds making up 28%. Loans grew by 7 times from 2020 to 2021 and bonds grew by 2 times from 2020 to 2021.
- ♦ The fastest growing product is sustainability linked making up 61% of the market with Sustainability linked loans representing 48% and sustainability bonds representing 14%
- ♦ In MENAT, Turkey and UAE are the countries with largest number of issues, contributing 76% of the number of issues in the region, followed by Saudi Arabia and Qatar.

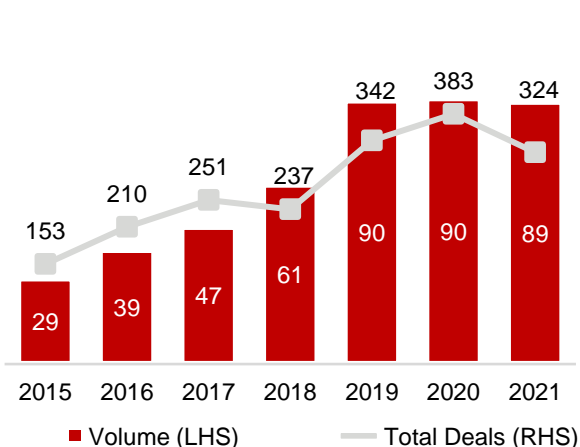
Global Sustainable Debt Annual Issuance¹ has increased by 115% YoY in 2021



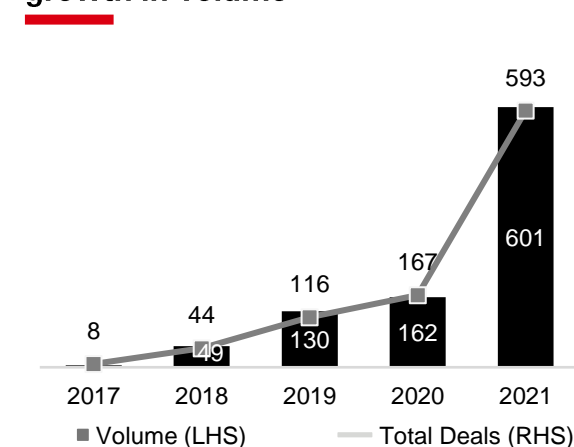
Sustainable bond issuance² doubled from previous year in 2021



Green Loan Issuance¹ become more stable after 2019



Sustainability-Linked Loan Issuance showed big growth in 2021, with 270% growth in volume



1. Source: Bloomberg
 2. Sources: Moody's ESG Solutions and Environmental Finance Bond Database
 3. Source: Refinitiv, an LSEG business

BRI in MENAT



China: current investment

Infrastructure and development projects across the region are creating opportunities for Chinese investors to play a part in the region's growth story.

Oman

Duqm Special Economic Zone



- ◆ Chinese investor Oman Wanfang investing US\$10.7bn including a US\$2.8bn methanol pipe factory
- ◆ Chinese company to build polyethylene pipes
- ◆ US\$84mn vehicle assembly plant
- ◆ US\$203mn hotel being planned

UAE

ADNOC Projects



- ◆ ADNOC L&S and Wanhua Chemical Group form strategic shipping joint venture
- ◆ China National Petroleum Corporation (CNPC) and China National Offshore Oil Corp. investors in ADNOC's Lower Zakum and Umm Shaif and Nasr offshore concessions
- ◆ ADNOC AND CNOOC exploring opportunities in upstream, downstream and liquefied natural gas

Egypt

Suez Canal Projects



- ◆ China's Tianjin TEDA investment Holding Co. developing China-Egypt economic cooperation free zone
- ◆ The 6-square kilometre zone aims to attract 150-180 enterprises with investment of US\$2bn
- ◆ China to build 5 tugboats for Egypt's Suez Canal
- ◆ The construction of the Central Business District in Egypt's new administrative capital, which is being implemented by China State Construction Engineering Corporation (CSCEC), has injected new vitality into the country's economic and social development¹

MENAT's renewable energy market is also a key focus of investment as the region seeks to diversify

Turkey



Turkish and Chinese firms founded Emba Elektrik Üretim A.Ş. in 2017 to operate a lignite-powered thermal power plant in Adana



China's CSUN operates solar cells and modules facility in Istanbul



China's HT Solar increasing production capacity in Turkey and revising production lines to produce new types of PV panels



HT Solar also planning to invest **\$1 billion** in Turkey's renewable energy industry



Turkey signed **\$200 million** loan agreement with China-backed Asian Infrastructure Investment Bank for energy, water and sustainable cities, among others

Saudi Arabia



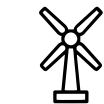
US\$65 billion MOUs include joint renewable energy projects



China's Longi, planning a **US\$2 billion** solar panel backsheet production plant in the kingdom







China's Silk Road fund took **49%** stake in ACWA Power Renewable Energy Holding








Hong Kong's Hanergy investing **US\$1 billion** in a fabrication center to meet Saudi solar demand

1. [Chinese-constructed CBD project in Egyptian capital boosts local development | english.scio.gov.cn](https://english.scio.gov.cn)
2. <https://www.al-monitor.com/originals/2022/08/egypt-chinese-consortium-run-terminals-red-sea-mediterranean-ports#ixzz7trfyrbYi>

Opportunities: Countries

	<p>GDP growth¹: 2.9%</p> <p>Population²: 45.8m</p> <p>Inflation²: 4.9% (est. 9.3% per IMF latest report)</p>	<p>Trade with China: Algeria's main import partner is China, which shipped US\$6.9 billion worth of goods in <u>2019</u> to the North African country. In 2020 Algeria's main import partner was still China but amount had reduced to US\$5.6 billion (source OEC) vs 2019</p> <p>Notable developments: Public sector development is being boosted with a focus on opening research centres, launching major transport and housing projects and boosting <u>phosphate production</u>.</p>
	<p>GDP growth¹: 2.8%</p> <p>Population²: 1.7m</p> <p>Inflation²: 4.1%</p>	<p>Trade with China: China is the top import origin and Bahrain's imports from China reached US\$1.11 billion in 2020.</p> <p>Notable developments: Infrastructure spending has been boosted in recent years via the allocation of funds under the Gulf Development Program. Non-oil growth is being supported by gains in the financial services sector and real estate projects.</p>
	<p>GDP growth¹: 3.8%</p> <p>Population²: 105m</p> <p>Inflation²: 19.1%</p>	<p>Trade with China: China was the top importer from Egypt during Q4 of FY 2021/2022 with a trade exchange of USD 111 billion, USD 97.4 billion of which are imports³.</p> <p>Notable developments: Initiatives include the expansion of the Suez Canal, a marketing strategy to boost tourism, privatisation program and sustainable development goals to boost economic growth.</p>
	<p>GDP growth¹: 1.6%</p> <p>Population²: 4.2m</p> <p>Inflation²: 3.4%</p>	<p>Trade with China: China is the top import origin for Kuwait and is also Kuwait's <u>biggest</u> export destination.</p> <p>Kuwait imported US\$4.26 billion from China in <u>2020</u> with trade between the two reaching over US\$15 billion in 2020.</p> <p>Notable developments: Kuwait's Vision 2035 initiative includes 164 strategic development programmes. Goals include creating jobs, increasing foreign direct investment (FDI) and positioning Kuwait as a global hub for petrochemicals.</p>

1. FY 2021/2022, Egypt's real GDP growth rose to 6.6 percent, up from 3.3 percent in the previous fiscal year, according to the Ministry of Planning and Economic Development
2. [Egypt Inflation Rate - January 2023 Data - 1958-2022 Historical - February Forecast \(tradingeconomics.com\)](#)
3. [Slide 1 \(lynxegypt.com\)](#)
4. <https://atlas.media.mit.edu/en/profile/country/bhr/>
5. <https://atlas.media.mit.edu/en/profile/country/egy/>
6. <http://www.egypttoday.com/Article/3/53547/Egypt%E2%80%99s-exports-to-China-record-408M-in-2017>
7. <http://atlas.media.mit.edu/en/profile/country/kwt/>
8. <http://www.arabianbusiness.com/politics-economics/400297-kuwait-happy-for-chinese-business-says-emir>

	<p>GDP growth¹: 3.1%</p> <p>Population²: 4.7m</p> <p>Inflation²: 3.7%</p>	<p>Trade with China: China is Oman's top export destination and second biggest source of imports. Oman imported US\$3.08 billion from China in <u>2020</u>.</p> <p>Notable developments: Oman's Vision 2040 document aims to create a diverse, knowledge-based economy with a focus on tourism, manufacturing and logistics.</p>
	<p>GDP growth¹: 2.3%</p> <p>Population²: 2.9m</p> <p>Inflation²: 3.7%</p>	<p>Trade with China: Qatar imported US\$3.32 billion in goods from China in <u>2020</u>.</p> <p>Notable developments: Qatar has invested US\$205 billion in infrastructure projects in the last five years. Mega north field gas expansion project underway with expenditure over \$50bn over next 5 years</p>
	<p>GDP growth¹: 3.2%</p> <p>Population²: 35.5m</p> <p>Inflation²: 3.0%</p>	<p>Trade with China: Saudi Arabia imported US\$31.8 billion from China in 2020. China was also Saudi Arabia's top export destination, receiving exports worth US\$33.4 billion in <u>2020</u>.</p> <p>Notable developments: An economic reform programme is underway, including tax increases and spending cuts as well as more opportunities for the private sector through various 2030 Vision programs. Investing barriers are being reduced to increase FDI.</p>
	<p>GDP growth¹: 3.6%</p> <p>Population²: 84.2m</p> <p>Inflation²: 52.7%</p>	<p>Trade with China: Turkey imported US\$22.1 billion from China in <u>2020</u>.</p> <p>Notable developments: Turkey is building 11,000km of new railway and expanding the high-speed rail network, which could serve as a vital BRI conduit connecting China to Europe.</p>
	<p>GDP growth¹: 33.4%</p> <p>Population²: 9.36m</p> <p>Inflation²: 3.5%</p>	<p>Trade with China: Trade between China and UAE was more than US\$41 billion in <u>2020</u>.</p> <p>Notable developments: The UAE is investing in novation and focusing on transitioning to a knowledge-based economy. The World Expo 2020 in Dubai is expected to have an economic impact of US\$33.4 billion over the next decade.</p>

9. <https://tradingeconomics.com/oman/imports/china>
10. <https://atlas.media.mit.edu/en/profile/country/qat/>
11. <https://www.bbc.co.uk/news/world-middle-east-38905510>
12. <https://atlas.media.mit.edu/en/profile/country/sau/>
13. <http://www.worldstopexports.com/turkeys-top-import-partners/>
14. https://www.trademap.org/Bilateral_TS.aspx?nvpm=1%7c156%7c%7c%92%7c%7cTOTAL%7c%7c%7c2%7c1%7c1%7c2%7c2%7c1%7c1%7c1%7c1%7c1

HSBC Capabilities



Accessing funding

When a business is growing fast, cash flow and financing are crucial.

At HSBC Middle East, the credit team work closely with businesses to understand customer's growth plans and funding needs to provide the support they require. Here are a few services we can offer:

- ◆ **Working capital optimisation**

Faster access to liquidity and the ability to unlock funds will help businesses run more efficiently.

- ◆ **Supplier finance management** Helping businesses to strengthen partnerships with suppliers around the world and improve visibility and control over their global supply chain.

- ◆ **Guarantees and standby letters of credit**
Businesses can bid for and enter projects using our secure methods of trading.

- ◆ **Green Trade Financing**
Designed to support the working capital requirement of our clients that fulfill the Green Loan Principles and measurably contribute towards an ESG agenda.

- ◆ **Import financing**

We can provide access to funds when their business needs it, based on their trading cycle.

- ◆ **Business loans**

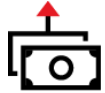
We can offer flexible repayment on Equipment Loans and VAT trade, plus many other solutions to help manage expenses.

- ◆ **Corporate cards**

HSBC Corporate Cards will cover day-to-day expenses for their key employees; they can also enjoy a waiver of the annual fee.



HSBC Product Capabilities



Global Payments Solutions

Help maximise control over cashflows with our global payables, cards, receivables and clearing services as well as an array of liquidity and investment solutions

- ◆ Clearing and Foreign Currency
- ◆ Global Corporate Cards
- ◆ Global Payments
- ◆ Global Receivables
- ◆ Liquidity and Investments



Global Trade & Receivables Finance

Effectively manage global trade and supply chains to ensure sustainable growth

- ◆ Working Capital Optimisation
- ◆ International Trade Growth Solutions
- ◆ Supplier Finance Management
- ◆ Sales Finance Solutions
- ◆ Trade Risk Management



Financing & Advisory

Within the Global Banking division, we offer a broad cross-section of financial products and solutions

- ◆ Credit and lending
- ◆ Debt and Equity Capital Raising
- ◆ M&A and Advisory
- ◆ Corporate Lending
- ◆ Leveraged Finance
- ◆ Asset and Structured Finance
- ◆ Real Estate
- ◆ Infrastructure and Project Finance, and Export Credit



Global Markets

Our knowledge of local markets, coupled with HSBC's global reach, enables us to provide a comprehensive and bespoke service across every major asset class

- ◆ Equities
- ◆ Fixed Income including Credit and Rates
- ◆ Foreign Exchange
- ◆ Commodities and Prime Services



Global Research

We deliver high-quality, award-winning research and analysis to investors around the world, with more than 600 staff in 23 countries

- ◆ Economics
- ◆ Currencies
- ◆ Fixed Income
- ◆ Equities
- ◆ Asset Allocation
- ◆ Quantitative Research
- ◆ Climate Change

HSBC Product Capabilities



HSS

HSBC's end-to-end securities services make it easier for you to navigate today's international financial markets

- ◆ Customisable Fund Administration
- ◆ Global Custody, Direct Custody and Clearing
- ◆ CTLAs



HSBCnet

Keep up with changes in technology, regulation and economic environment with secure banking for your business, any time, any place. HSBCnet is our global internet banking platform – a single portal to control your accounts regionally and a central treasury level



Global Asset Management

Our mission is to provide our clients with the best ideas and investment expertise as we collaborate with them to help grow and protect their assets

- ◆ Fixed Income
- ◆ Multi Assets
- ◆ Active-Equities
- ◆ Smart-beta and Factor Based Solutions
- ◆ Index-based Investments



Private Banking

Dedicated teams for you and your family. Growing, managing and preserving your wealth



Wealth and Personal Banking

We offer a full range of personal financial and wealth management services, and have a wide coverage of retail banking services across the region

Digital solutions

Going digital is the trend – HSBCnet provides a complete set of solutions to allow customers to actively manage their treasury better.

HSBCnet

Our award-winning banking platform provides a single portal from which to control accounts at both the regional and central treasury level.

It can facilitate all of our customers banking needs to improve efficiencies and give them greater control of their finances. Here's an overview of what the platform offers.

Cash Management

- ◆ Balance and transaction reporting
- ◆ Payment and transfer advising service
- ◆ Time deposits
- ◆ Cheque outsourcing
- ◆ Receivables reconciliations

Trade Services

- ◆ Import Documentary Credit (DC) applications, DC amendments and import bill instructions
- ◆ Import finance
- ◆ Export DC confirmation
- ◆ Pre-shipment finance and post-shipment finance
- ◆ Guarantee applications, amendments and cancellations and financing

Foreign Exchange

- ◆ Get Rate

“Technology is key to developing the tools our clients need to become more efficient.”
HSBC global head of FX e-distribution



Dedicated support

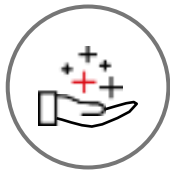
With the right guidance, you can focus on achieving your mission, growing your business and redefining tomorrow.

Our support team structure:

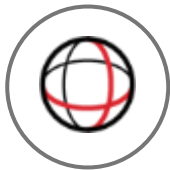


Relationship Manager

Support and guide customers ambitions by connecting them to the right people across our universal banking offering and network of events.



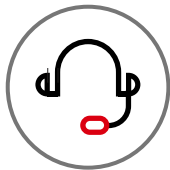
Credit Management Officer
Responsible for all credit related activities on the portfolio for both existing and new clients.



Global Trade and Receivables Finance (GTRF) Business Development Managers
Responsible for visiting clients and assisting RMs in structuring relevant GTRF solutions.



Global Payments Solutions (GPS) Business Development Managers
Responsible for visiting clients and assisting RMs in all GPS requirements.



Client Service Team
Responsible for all inward client service calls.



Onboarding Team
Case Managers responsible for end-to-end account opening for every client.



Client Due Diligence Team
Case Managers responsible for collecting and verifying all relevant KYC/FCC data.



HSBC MENAT Markets



**It's great doing
business
together...**

In the United
Arab Emirates



Diversified economy

The UAE has made considerable progress in diversifying the economy.

According to the Ministry of the Economy, the non-oil share of GDP reaches 72.3% in 2021¹.

Several government ministries have also been set-up to focus on key development areas such as SMEs, new technologies and Artificial Intelligence.

Key initiatives

The following initiatives aim to support the development of the UAE's economy over the coming years:

COP28



2023 will be a historic year for the UAE. The country is going to host the 28th session of the Conference of Parties (COP 28) to the UNFCCC (United Nations Framework Convention on Climate Change).

COP28 will be a global event with participation from more than 80,000 delegates, including 140 heads of state and government, and more than 5,000 media professionals.

Dubai Expo City will serve as the venue for COP28.

'We the UAE 2031' Vision



'We the UAE 2031' vision represents a national plan through which the UAE will continue its development path for the next 10 years, with focus on social, economic, investment and development aspects.

The plan seeks to enhance the position of the UAE as a global partner and an attractive and influential economic hub. It aims to highlight the successful economic model of the UAE and the opportunities it provides to all global partners.

Silk Road Strategy



The new Dubai Silk Road strategy comprises 9 initiatives and 33 projects that will see the collaboration of Emirates airlines, Dubai Airports, Dubai South, Dubai Free Zones, DFZ, Council, Dubai Maritime City Authority, Dubai Roads and Transport Authority, DP World, Dubai Municipality, Jebel Ali Free Zone.

2020 Towards the next 50



2020 witnessed the launch of the biggest national strategy to prepare the country for the coming 50 years.

Federal and local government's efforts will be coordinated and individuals from all segments of the society will be included to make giants leaps in the areas of economy, education, infrastructure, health, and media.

1. <https://gulfbusiness.com/non-oil-contribution-to-uaes-gdp-reaches-72-3-in-2021/>

A nation at the cutting edge

Key facts and figures



1. <https://www.albawaba.com/business/what-startups-uae-should-expect-2021-1230798>
2. <https://fintechhive.difc.ae/programmes/2020-FinTech-Accelerator-Programme>
3. <https://government.ae/en/about-the-uae/strategies-initiatives-and-awards/federal-governments-strategies-and-plans/emirates-blockchain-strategy-2021>
4. <https://www.doingbusiness.org/content/dam/doingBusiness/media/Profiles/Regional/DB2020/Arab-World.pdf>
5. <https://www.doingbusiness.org/en/reports/global-reports/doing-business-2020>



Growth sectors

The UAE has benefited more than most of its neighbours in the Gulf from the fruits of a diverse economy, and its ability to reinvent itself as a hub for multiple sectors means it continues to be the focal point in the MENAT region for many growth industries.



Manufacturing

Food and drink, chemicals, infrastructure and electricals are areas seeing significant growth in the country.



Education

The UAE government states that there are over 1m students enrolled in private and state schools, with primary, secondary and tertiary education growing at a combined rate of 4.1% to 2020.



Healthcare

The UAE leads the Gulf region in healthcare, with KPMG stating that the government contributed 66% of the country's total healthcare spending of \$15bn in 2018.



Agriculture

The challenges of farming in such an arid country have traditionally been met by cultivating land in Ras Al Khaimah, Fujairah and Al Ain.

More recent technological innovation has now led to growth opportunities in agri tech and vertical farms in particular.



Energy

The successful diversification away from oil and gas – despite a continued rise in production from that sector – means a renewed focus on nuclear and solar as the most viable non-hydrocarbon - based alternatives for the country.



e-Commerce

The UAE's Ministry of Economy estimates that around 10% of total sales in the country are made via e-commerce. 2020 estimates indicate that up to \$20bn in revenue will have been earned online.



Professional Services

A key sector to the UAE and wider region alike, professional services opportunities are numerous as national transformation initiatives take hold.

Regionally, the market was worth more than \$3bn in 2018.



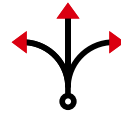
Unique trade location



Regional trade hub

Ideally positioned between Europe and Asia, the UAE is a strategically important location and a global trade hub, offering access to major shipping routes and emerging economies.

The convenience of the UAE's geographic location is complemented by its advanced infrastructure. In addition to the UAE's sophisticated network of seaports, Dubai has the world's busiest airport by international passenger traffic.



Belt & Road Initiative

UAE is also set to play a key role in China's Belt and Road Initiative, with trade between UAE and China forecast to reach \$70bn by 2021. The UAE currently re-exports 60% of China's exports¹ to the Middle East and North Africa.



Top trading partners

Within the region, Saudi Arabia is considered the UAE's top trading partner by almost a quarter of businesses, followed by Egypt, which leapfrogged Oman with a 7% increase in 2019.

Outside of the region, APAC is the UAE's strongest trading partner increasing from 40% in 2018 to 47% in 2019, with India and China leading the way².



Looking forward

Looking to the next five years, it is expected that MENA, APAC and Europe will continue to be the UAE's most influential trading regions, with Saudi Arabia, Egypt, India, the US and China being its top markets³.

1. <https://www.arabianbusiness.com/politics-economics/401134-china-uae-forecast-to-hit-70bn-by-2020-as-ties-grow>
2. <https://www.thenational.ae/uae/trade-between-china-and-the-uae-could-double-over-the-next-decade-says-nation-s-ambassador-to-china-1.750313>
3. HSBC Trade Navigator UAE 2020 <https://www.business.hsbc.com/navigator>



Setting up business in the UAE

Freezones

There are over 40 in the country, benefits include almost instant premises, 100% ownership, and tax exemptions on import-export activity. Originally created near to ports and airports for the trans-shipment of goods, free zones are now increasingly specialised per sector, accommodating services businesses from digital, media and production to financial services and consultancy. Dubai alone has at least nine creative industry cluster zones.

Onshore registration

Several company types and partnerships are eligible, and businesses can typically benefit from very low tax liabilities, minimum red tape and recruitment restrictions, and modern infrastructure. Typical formations include sole proprietorship, general or limited partnerships, joint stock, or limited liability partnerships.

Legal structure and licenses

The bureaucracy involved in setting up is comparatively straightforward in the UAE. As long as no formal objections to the nature of a business are made, they can be operating very quickly.

Onshore ownership

Setting up business onshore allows tariff free trading in the UAE but has differing implications for the type of ownership structure needed. An onshore presence means that a physical mainland office and a local sponsor who will have a 51% stake in the business are required. There are three types of local sponsors: local corporate sponsors, local individual sponsors and local service agents. Local corporates and individuals own 51% of the business, individuals will often act as a silent partner. Local service agents are individual nationals who are paid an annual fee to act as a representative for the business, they do not own shares.

Country profile



Regulations – Liquidity Management Consideration

- ◆ LCY and FCY pooling allowed
- ◆ Cross Border cash concentration allowed in foreign currency

Legal Environment

- ◆ The existence and interaction of federal laws, individual Emirate laws and free zone laws can be complex

Regulations - Repatriation

- ◆ Free repatriation of profits, dividends and capital
- ◆ No exchange tax is applied to the currency
- ◆ No capital gains tax
- ◆ With the exception of banks and oil companies, no corporate tax is in practice payable by businesses

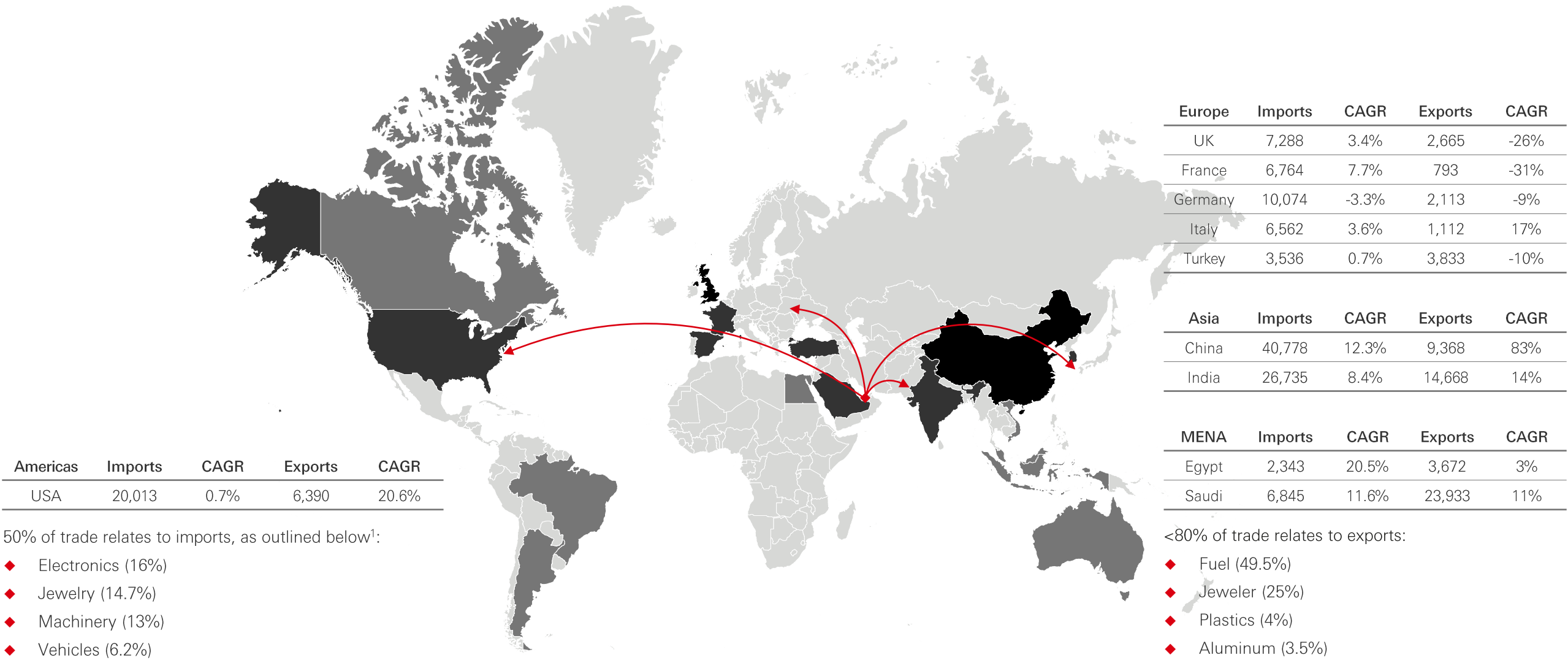
Economic Update

- ◆ The generally liberal trade regime has helped to sustain momentum for growth
- ◆ The economy is significantly more diversified than that of its peers, generating less than half of its export receipts from the sale of hydrocarbons
- ◆ Progress on core infrastructure projects, including those related to Dubai’s hosting of the 2020 World Expo are expected to continue
- ◆ The UAE Vision 2031 sets the key themes for the socio-economic development of the UAE for the coming years

Capital City	Abu Dhabi
Area	83,600 (sq KM)
Language	Arabic
Currency	Dirham (AED)
International dialling code	+971
Working days	Monday – Friday
Stock exchanges	Abu Dhabi Securities Exchange (ADX)
Time zone	GMT +04:00
Doing Business rank 2020	16

1. Data for 2023; HSBC Research
2. Nominal GDP in PPP terms

Corridor Maps - UAE



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Please reach out to our HSBC representatives today who can get you started on exploring the opportunities in the UAE



**It's great doing
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In Saudi
Arabia



Diversified economy

Saudi Arabia is among the 20 largest economies and part of the powerful G20 group of nations

The kingdom is set to be among the world's fastest-growing economies in 2022 as sweeping pro-business reforms and higher oil production power recovery.

Key initiatives

A slew of developments and programs are set to transform the economy

Vision 2030



The transformative series of programs aims to overhaul virtually every aspect of the economy and create a dynamic economy with world-class infrastructure that will underpin an investment and financial hub by the end of the decade.

Saudi Green Initiative



The first wave of 60+ initiatives under SGI represent more than SAR700 billion of investments to develop a sustainable economy. Other initiatives include planting 10 billion trees and rehabilitating 40M hectares of land over the decade.

NEOM



The Public Investment Fund is developing the US\$500B project on the northwest coast as a sustainable, business and leisure hub. Key projects include The Line and Oxagon that will be powered by world-scale renewable energy projects.

National Industrial Development & Logistics Program



National Industrial Development and Logistics Program

The NIDLP aims to attract US\$427B over the next few decade. A pillar of Vision 2030, the program will integrate mining, industry and energy sectors, and create a high-end manufacturing hub.

1. <https://gulfbusiness.com/non-oil-contribution-to-uaes-gdp-reaches-72-3-in-2021/>
2. <https://gulfnews.com/uae/government/oil-contribution-to-uae-gdp-down-to-30-1.1616600>

Growth sectors

Saudi Arabia is looking to deepen and expand a number of key sectors to diversify the economy. The string of developments across a wide range of sectors are creating private sector opportunities for domestic and international businesses



Healthcare

The 2022 budget earmarks US\$36.8B for healthcare, 14.4% of the budget and the third largest line item to create a resilient sector. Post-pandemic, the kingdom is looking to develop a self-sufficient sector via investments in generic drugs, hospitals and medical equipment.



Technology

The startup culture in Saudi Arabia is taking off with a number of startups raising record funding in region. The kingdom is also investing in Big Data, cloud computing, AI and robotics, while PIF is investing in technology companies globally to build tech know-how.



Energy

The successful diversification away from oil and gas – despite a continued rise in production from that sector – means a renewed focus on nuclear and solar as the most viable non-hydrocarbon - based alternatives for the country.



Tourism

Planned investments of US\$810 billion in culture, leisure, and entertainment over the next decade will sow the seeds of a multi-faceted tourism blueprint. The strategy will help the kingdom achieve its goal of attracting 100 million visitors annually by 2030. Expansion of capacity and transport infrastructure in the Holy Cities would further fuel the tourism industry.





Setting up business in Saudi Arabia

Economic Cities

Saudi Arabia has no classical Free zones, but 4 “Economic Cities” (ECs) with several incentives under the authority of the Saudi Arabian General Investment Authority (SAGIA). The authorities don’t use the term of “free zone”.

2 other ECs are planned: Tabuk economic zone (TEC) and Eastern Province Economic city (EPEC).

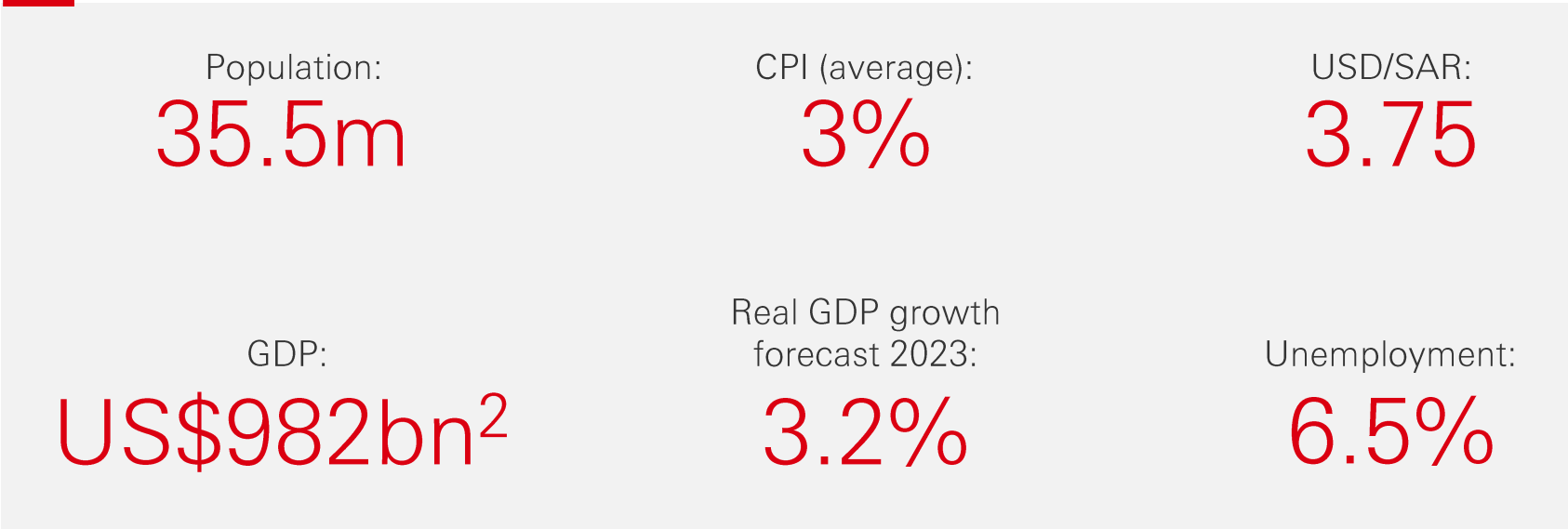
Onshore ownership

There are three types of business forms available to foreign companies in Saudi Arabia. Each of these business forms has distinct advantages and disadvantages, as well as differing scope of business activities, registration requirements and minimum capital requirements. In most situations, these requirements are dependent on the degree of commitment a company has to Saudi Arabia, and the proposed business activity.

Types of business available

- A limited liability company (LLC) is the most common type of company and form of investment for foreign businesses entering Saudi Arabia.
- Foreign companies may register a wholly foreign-owned Saudi branch office, provided that they obtain the requisite license. The branch office may engage in commercial activity within the scope of its license.
- Saudi law allows rep offices in the form of Technical and Scientific Offices (TSOs) and Temporary Company Registrations (TCRs). TSOs are primarily liaison offices for a manufacturer to provide technical support to the local market via a distributor, while a TCR is a short-term general business established for the purpose of a specific government contract.

Country profile



Population projection

- ◆ 38,591,000 (2030)

Life expectancy at birth

- ◆ 75 years

Access to electricity

- ◆ 100%

Foreign Assets

- ◆ US\$438.2B (2021)

Vaccination Rate

- ◆ 72% (fully vaccinated)

WEF competitiveness ranking

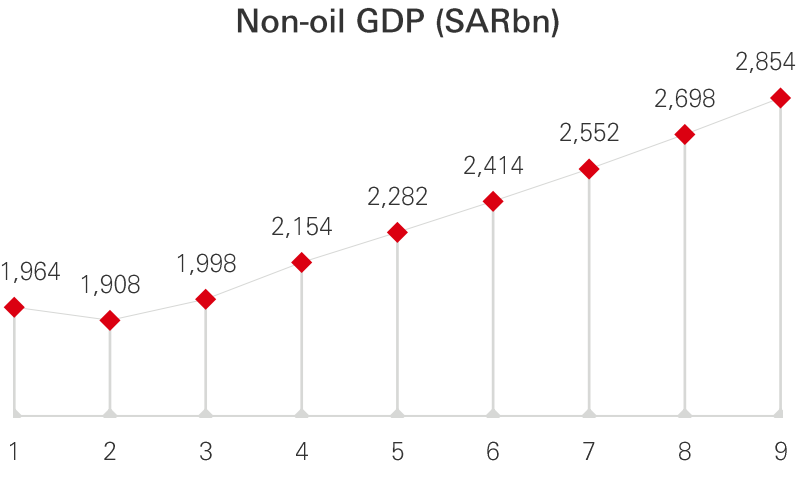
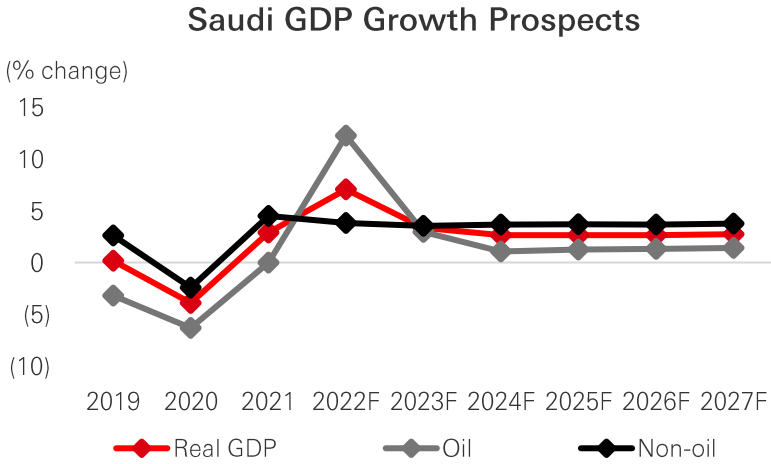
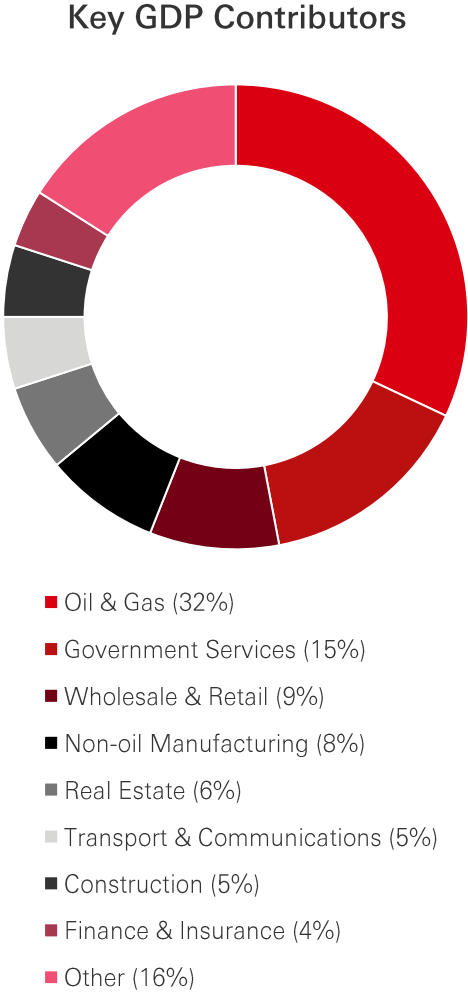
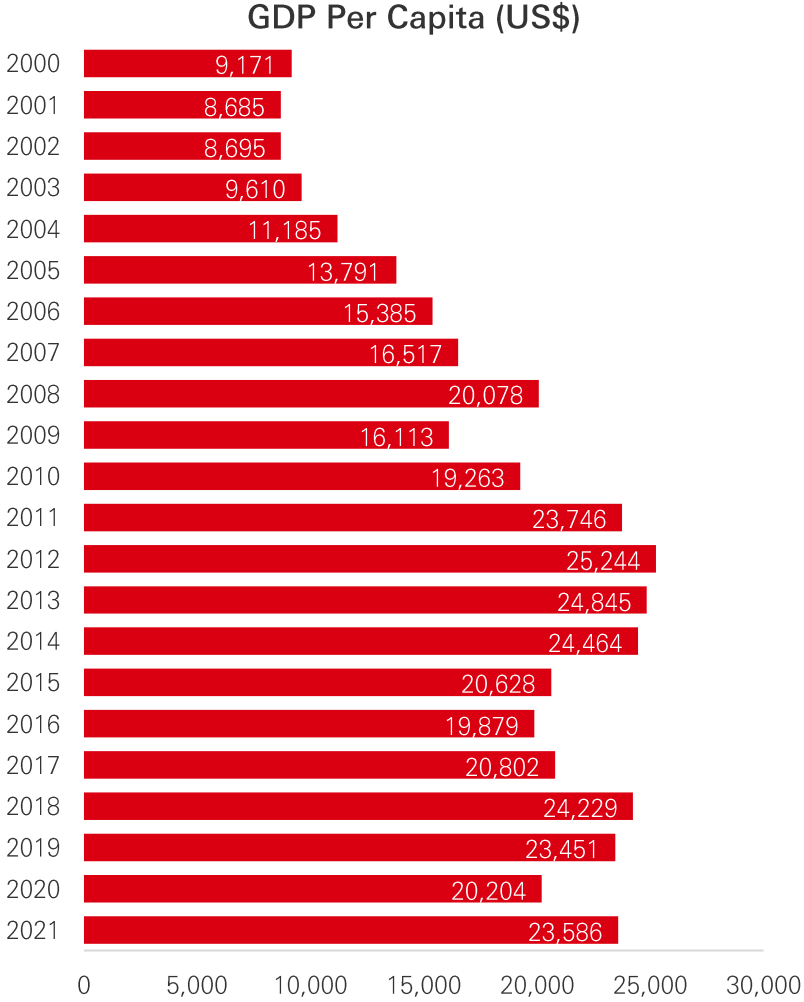
- ◆ 36th (out of 141 [countries](#))

IMD digital competitiveness

- ◆ 36th (out of 64 countries)

Capital City	Riyadh
Area	2,149,000 (sq KM)
Language	Arabic
Currency	Saudi Riyal
International dialling code	+966
Working days	Sunday – Thursday
Time zone	GMT +03:00

Key Facts & Figures



Trade Corridor – Saudi Arabia

Top 3 Import Markets In 2021 (USD)

China	31,071,640
USA	15,546,257
UAE	12,537,505

Top 3 Imports In 2021 (USD):

- ♦ Machinery 16,493,576
- ♦ Vehicles 15,178,519
- ♦ Electronics 13,739,202

Ports & Airports

- ♦ Saudi Arabia will invest US\$133B to expand its airports, sea ports, rail and other infrastructure by 2030.
- ♦ Raise number of aviation routes to 250 (from 99) and passenger traffic to 330M (from 103M) annually by 2030.
- ♦ Privatisation of airports and ports is underway, with 29 airports earmarked for privatisation.
- ♦ Development of high-speed rail and public transit is boosting the country's connectivity.

Top 3 Export Destinations In 2021 (USD)

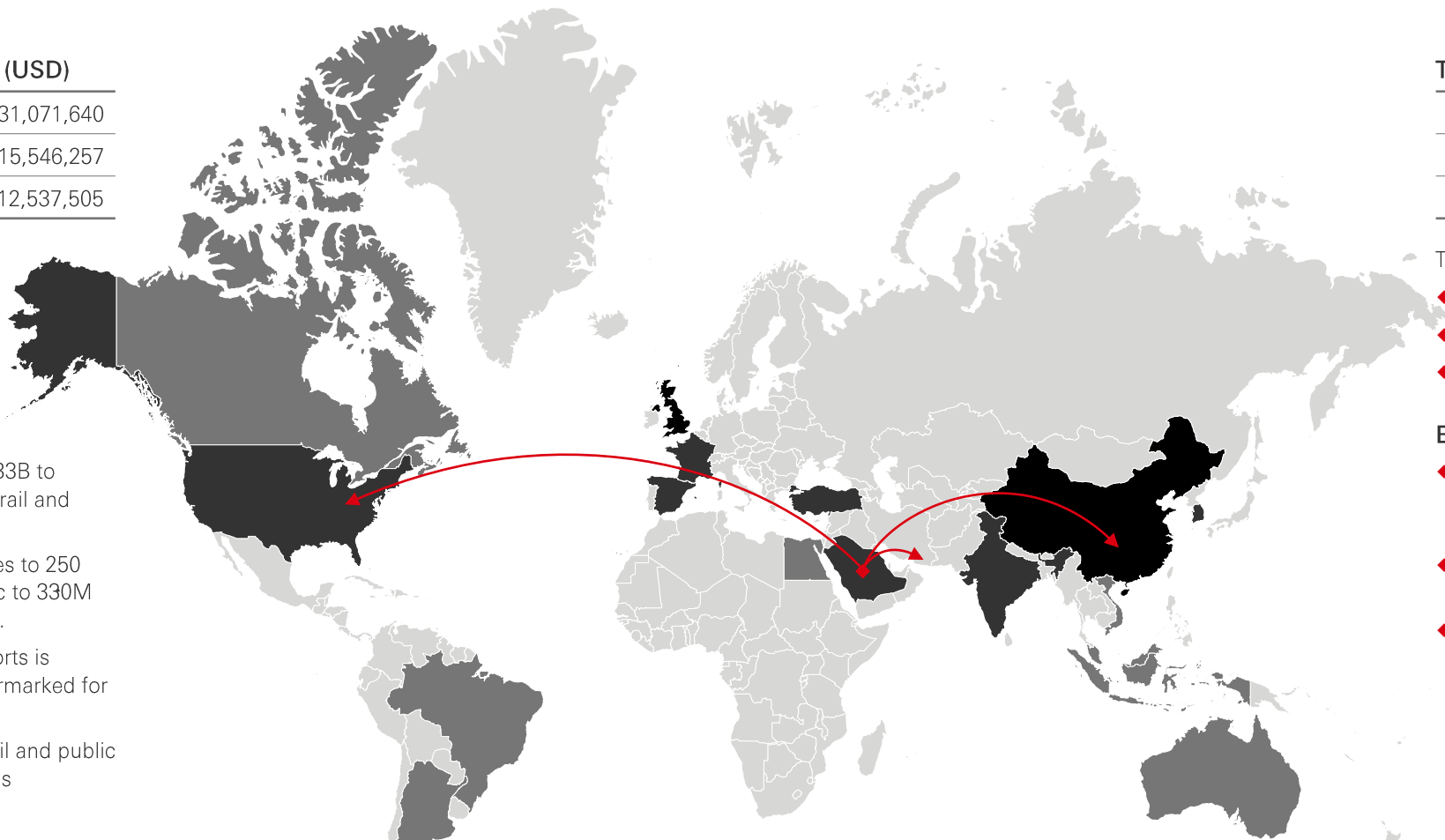
China	9,286,700
USA	5,473,645
UAE	4,925,395

Top 3 Exports In 2021 (USD):

- ♦ Oil 206,066,933
- ♦ Plastics 23,639,918
- ♦ Organic Chemicals 14,323,822

BRI Projects

- ♦ Saudi Arabia is playing host to a number of Belt and Road Projects being developed by China.
- ♦ The Kingdom is home to 49 BRI projects valued at US\$124.7 billion.
- ♦ Saudi Arabia is the third largest destination of BRI projects in terms of value.



SAUDI TRADE PROSPECTS (USD Bn)									
	2019	2020	2021	2022F	2023F	2024F	2025F	2026F	2027F
Trade Balance	121.3	47.9	136.5	268.5	219.9	178.3	144.2	114	85.6
Exports	261.6	173.9	276.2	426.1	392.2	367.6	353.2	345.1	341.7
Oil Exports	200.5	119.4	202.2	347.6	311.3	283.7	265.4	253.5	246.2
Other Exports	61.1	54.5	74	78.6	80.9	84	87.8	91.5	95.6
Imports	-140.3	-125.9	-139.7	-157.7	-172.2	-189.3	-208.9	-231	-256.2

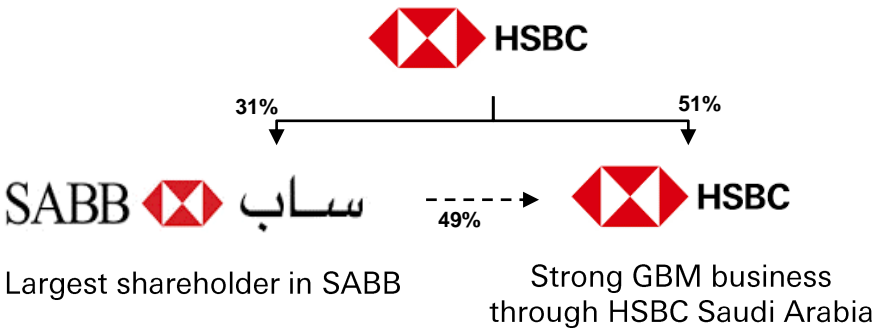
HSBC in Saudi Arabia



Long-Standing Commitment

- 1950: British Bank of Middle East
- 1978: Saudi British Bank – joint stock company established
 - Shareholding in SABB was at 40%
- 2005: HSBC Saudi Arabia
 - Shareholding in HBSA is at 51%
- 2019: SABB / AlAwwal Merger
 - Shareholding in SABB is at 31%
- 2023: Bank rebranded as SAB

Saudi presence through SAB & HBSA



SAB

Market Leading Universal Bank

#3

Bank by Corporate Loans Market Share (12.4%)

#4

Bank by Retail Loans Market Share (4.5%)

Awards

HSBC Saudi Arabia

Market Leading Investment Bank & Capital Markets Services Provider

#1

in ECM, DCM, LAF, ESG Financing & ESG Bonds by volume

#3

in M&A by volume

Awards

Best Domestic Custodian (Saudi Arabia)

Best Investment Bank in Saudi Arabia in 2021
Best Bank for Islamic Finance in Saudi Arabia

Best Debt Capital Markets House



Offers both **Islamic** and **conventional** solutions



SAB holds **49%** of HSBC Saudi Arabia, the investment banking arm of HSBC in Saudi Arabia, where HSBC maintains majority stake of **51%**

1. We are the largest investor in a locally listed entity (SABB); Strategic advisor to Tadawul (through SABB holding) & strategic advisor to CMA on the opening up of the QFI (Qualified Foreign investors) market; The largest Securities custodian for international investors; Largest facilitator of QFIs through our Equity Brokerage platform; Have the largest ECM team of all International Banks and are #1 in league tables (having led ~30 listings since inception of the Capital Markets Authority, incl. the world's largest IPO - Saudi Aramco; local competitors have led close to 20, closest International competitor has led below 20).

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Please reach out to our HSBC representatives today who can get you started on exploring the opportunities in Saudi Arabia



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In Egypt



Diversified Sustainable Economy

The Egyptian economy has been strengthened by diversification across a range of sectors, enabling it to maintain positive growth throughout the pandemic. Growth prospects remain strong due to Egypt's young population demographic and successful government reforms

Key initiatives

The following initiatives aim to support the development of Egypt’s economy over the coming years:

COP 27



The 2022 United Nations Climate Change Conference or Conference of the Parties of the UNFCCC, more commonly referred to as COP27, was the 27th United Nations Climate Change conference, held from 6 November until 20 November 2022 in Sharm El Sheikh, Egypt.

It took place under the presidency of Egyptian Minister of Foreign Affairs Sameh Shoukry, with more than 92 heads of state and an estimated 35,000 representatives, or delegates, of 190 countries attending. It was the fifth climate summit held in Africa, and the first since 2016.

The loss and damage agenda saw a historical transformation at COP27 by establishing new funding arrangements which strengthen the work towards delivering equitable climate justice

Pathway to Regional Energy Hub



Egypt is currently the third-largest natural gas producer in Africa benefiting from a well-developed natural gas grid of high-pressure pipelines with a total length of 86,000km as of 2021/22.

Strategically located in the middle of resource-rich countries and major energy consumers, as well as availability of major international maritime trade lines

Zohrfield gas field is predicted to integrate Egypt more closely with Europe and Asia as well as generate higher FX receipts. In addition, Egypt’s two LNG trains are ramping up capacity with a view to supply Europe

Egypt has become an alternative supplier of Russian gas. In FY2021/2022 the country opened new markets in Europe, mainly in Turkey, Italy, France, Spain, Croatia and Greece

New Administrative Capital



The New Administrative Capital, Egypt's new capital city is the largest project in modern Egypt, which includes many of Egypt's planned and current mega projects under construction.

These mega projects include the Iconic Tower, The Octagon, Capital Park, Al-Fattah Al-Aleem Mosque, Cathedral of the Nativity of Christ and the Central Business District (CBD), Olympic City, Capital International Airport.

NWFE



On 7 July 2022, Egypt launched the “NWFE ” program to attract funds and investments for a list of green projects in the water, food and energy sectors.

The Ministry of Environment prepared this program in cooperation with the concerned ministries with respect to the National Climate Change Strategy 2050 and the Nationally Determined Contributions Plan 2030, which resulted in a package of programs and projects that were classified and merged to be projects that support the field of Water–Energy–Food nexus.

1. <https://gulfbusiness.com/non-oil-contribution-to-uaes-gdp-reaches-72-3-in-2021/>
2. <https://gulfnews.com/uae/government/oil-contribution-to-uae-gdp-down-to-30-1.1616600>

Growth sectors

The Egyptian economy is the largest in North Africa and the fourth largest out of 18 markets in MENA. The country is well-integrated with global trade flows due to its strategic location on the major maritime trade routes between Europe and Asia. Egypt has a diverse manufacturing base and a large and growing consumer market. Investment will remain a key growth driver, while exports will expand gradually, boosted by new gas projects and increasing exports to the EU.



Manufacturing

Manufacturing accounts for 15.5% of GDP in 2021 according to the World Bank, while industry overall accounts for 30.8%. The country boasts a relatively diverse industrial base, with a range of industries including textiles manufacturing, food processing, chemicals production, metalwork and construction.



Technology

Egypt's transport, business process outsourcing information and communications technology (ICT) sectors are major parts in the country's economic growth and diversification path. Egypt's large pool of skilled graduates coupled with low operating costs are major factors contributing to the growing interest from ICT investors, and they have enabled the sector to buck broader trends during the worst of Egypt's economic crisis. Egypt is also linked in to more than 10 global internet backbone networks, which improve bandwidth capacity and international connectivity.



Services

The services sector represents 52.2% of the Egyptian GDP and employs more than half of the population (52%). It is largely dominated by revenues from the telecommunications and tourism sectors. Egypt's digital services exports hit USD 4.9 billion in 2022, reaching 5% of GDP.



Energy

Egypt has plans to become a regional/global energy HUB. Egypt possesses an abundance of land, sunny weather and high wind speeds making it a prime location for renewable energy products. Moreover, several gas discoveries in the Mediterranean were made helping Egypt become a net exporter of energy as opposed to a net importer in recent years.



Agriculture

An expanding population and rising disposable incomes, albeit from a relatively low base, will drive consumption growth in food products, while the impact of higher global food prices and agriculture trade risks will weigh further. Egypt's government appears to be ramping up efforts to support the fertiliser sector, acknowledging its importance in the market's agribusiness industry.



Retail

Egypt is the 7th most promising retail market in the world, according to AT Kearney's 2021 Global Retail Development Index. Egypt's US\$ 200 billion retail market is expected to grow at a CAGR of about 5% from 2020 to 2025, reaching about US\$ 254 billion, according to AT Kearney.





Setting up business in Egypt

Freezones

There are nine Public Free Zones in Egypt located in Alexandria (Amrya), Cairo (Nasr City), Port Said, Suez, Ismailia, Damietta, Shebeen ALKoum, Qeft, and Media Zone in City of 6th October.

Public Free Zones are not a specialised zones - except the last one - as each zone includes variety of projects as inventory, industrial, services, and financing services.

Onshore registration

Corporate entities require initial registration. They shall be registered in the commercial registry office by virtue of the establishment certificate issued by GAFI.

According to the Companies Law, GAFI is required to issue an establishment certificate upon being notified by the Corporate Entities provided that the required documents are attached to the establishment notification.

There are additional obligations to file yearly audited financial statements as well as amendments to bylaws, Aol(s) and AoA(s) each time they are made.

Onshore ownership

The main authority that governs establishing all types of companies in Egypt is the General Authority for Investment and Free Zones.

The Companies' law No. 159 of 1981, the New Investment Law No. 72 of 2017, and the Capital Market Law with their executive regulations and adaptation are the governing laws that regulate and manage the establish a company in Egypt from the beginning till its dissolution.

The most widespread types of companies in Egypt under Law No. 159 of 1981, are as follows:

- ◆ Joint Stock Company (JSC)
- ◆ Limited Liability Company (LLC)
- ◆ Branch of a Foreign Company
- ◆ One Person Company

Country profile



Regulations – Liquidity Management Consideration

- ◆ Funds associated with investment can be freely converted into any world currency.

Legal Environment

- ◆ Egypt has implemented a number of regulatory reforms, including a new investment law in 2017
- ◆ Egypt is a party to more than 100 bilateral investment treaties, including with the United States.
- ◆ With a few exceptions, Egypt does not legally discriminate between Egyptian nationals and foreigners in the formation and operation of private companies.

Regulations - Repatriation

- ◆ Foreign investors are able to buy shares on the Egyptian Stock Exchange on the same basis as local investors.
- ◆ The law allows 100% foreign ownership of investment projects and guarantees right to remit income earned in Egypt and to repatriate capital.

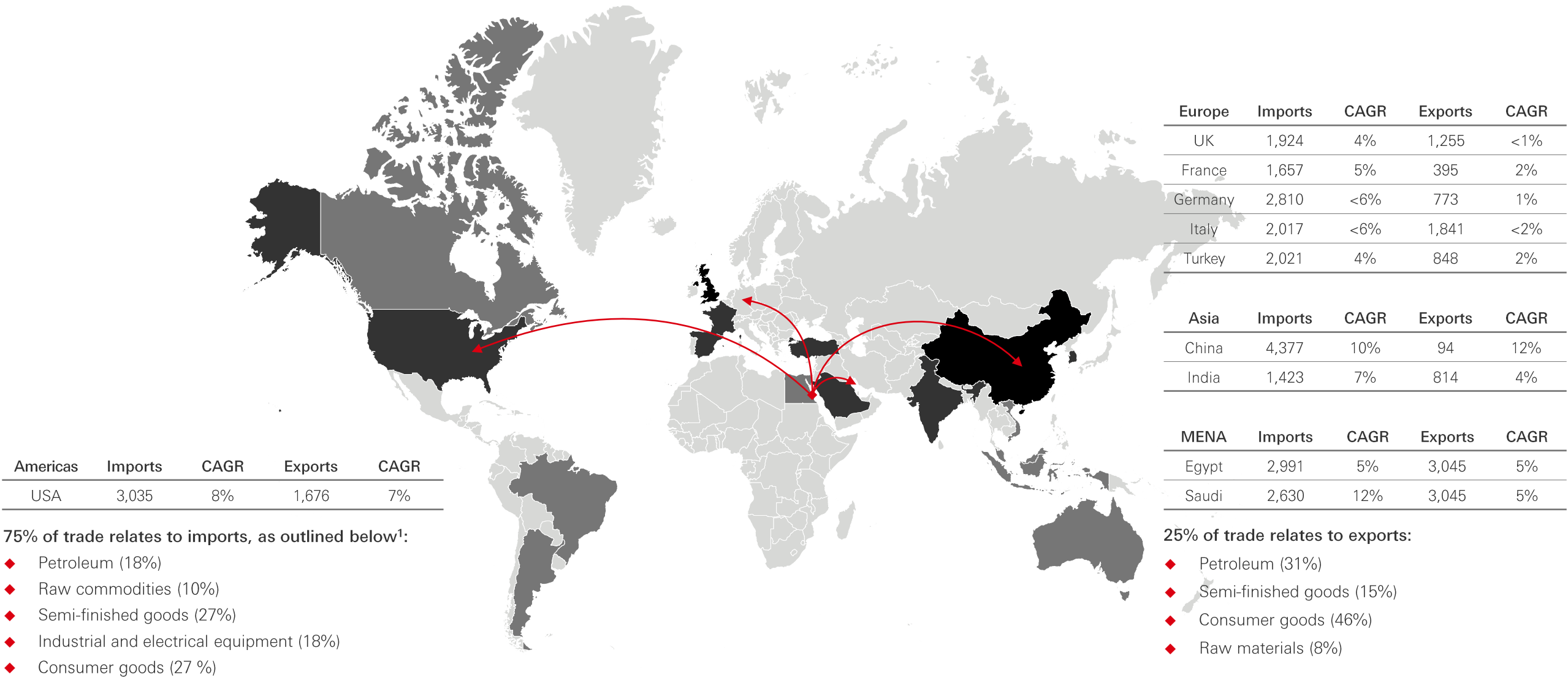
Economic Update

- ◆ Egypt launched the second phase of the National Structural Reform Program (“NSRP”) for 2021-2024 which aims to encourage inclusive growth, create jobs, improve business climate, diversify and develop production patterns, localise manufacturing and enhance competitiveness of Egypt’s exports
- ◆ Among the fastest growing economies in MENA region with GDP growth of 6.6% in FY2021-2022.
- ◆ Higher investments are planned in infrastructure especially for rural areas and villages, health, and education.
- ◆ Encouraging investment and exports is a high priority and a main feature of the recently launched National Structural Reform program.

Capital City	Cairo
Area	1.02 million (sq KM)
Language	Arabic
Currency	Egyptian Pound (EGP)
International dialling code	+20
Working days	Sunday-Thursday
Stock exchanges	The Egyptian Exchange (EGX)
Time zone	GMT +02:00
Doing Business rank 2020	114

1. HSBC Global Research, IMF Country Report JAN 2023,

Corridor Maps – Egypt



Egypt trade by key trade corridors 2019-2017
(Value in \$mln)

■ 2019-2015 CAGR ■ Strong trading partners

Egypt’s main trade partners FY 2019-2017

Imports: China, USA & UK
Exports: UAE, USA & Italy

1. Source: Central Bank of Egypt Report

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Please reach out to our HSBC representatives today who can get you started on exploring the opportunities in Egypt



**It's great doing
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In Qatar



Diversified economy

Qatar has made progress in diversifying the economy.

The Qatar National Vision 2030 outlines the pathway to economic diversification in Qatar. Progress has been steady over the past decade with increased activity in local manufacturing especially in steel and cabling as well as rapid development in local food production.

Key initiatives

The following initiatives aim to support the development of the Qatar’s economy over the coming years:

FIFA World Cup - Qatar 2022



Hosting the FIFA World Cup in Qatar has created more than 1.5 million new jobs in key sectors like construction, real estate, and hospitality. Other than economic benefits, Qatar stands to benefit positively from the social and cultural aspects of hosting FIFA 2022.

Qatar welcomed 1.18 million international visitors and the infrastructure development in the country is one of the greatest legacies of the tournament and keeping in line with the Qatar National Vision 2030.

Qatar National Vision



The National Vision defines broad future trends and reflects the aspirations, objectives and culture of the Qatari people. By shedding light on the future, the Vision illuminates the fundamental choices that are available to Qatari society. Simultaneously, it inspires Qatari people to develop a set of common goals related to their future.

Qatar Free Zone



Setting up in a Qatar free zone gives companies access to fast growing nearby markets in the Middle East, North Africa, Europe and Western Asia, and it is anticipated that an influx of new businesses to these areas will contribute to the economic growth of Qatar and increase the diversification of the Qatari economy.

Doha 2030 – Asian Games



Doha 2030 would ensure that the special moments the OCA family enjoy in 2030 would go beyond competitions and would be part of the everyday experiences of living in our magical and inclusive city.

Doha has the experience and expertise to deliver Games services to the very highest standards.

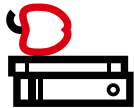
Growth sectors

Qatar's economy relies heavily on Oil and natural gas as principal revenue sources. Up to 70% of government income is generated from oil and gas sales. Qatar is working to reduce its reliance on oil and gas. In the past few years, it has developed other industries such as tourism, finance, hydrocarbons, petrochemicals, steel industry, cement, and commercial ship repair.



Technology

Qatar's ICT spending will rise 9.2% during the 2019-2024 period, to reach US\$ 9 billion. Growth will be driven by large-scale infrastructure, and government-led projects in the transportation, energy, and construction sectors, according to Global Data.



Education

Qatar Vision 2030 forecasts broad investments in certification and training programmes by public and private institutions, high quality training opportunities for citizens, and incentives to enter professional and management roles in sectors like business, healthcare, and education.



Healthcare

Qatar's healthcare expenditure is expected to rise to US\$ 6.8 billion by 2025, compared to US\$ 5.5 billion in 2020, leading to a five-year compound annual growth rate of 4.6%. Healthcare secured QAR 20 billion in the 2022 budget, making it the sector with the biggest allocation.



Energy

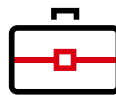
Qatar's US\$ 30 billion North Field East expansion project is being developed by a string of international partners, such as Royal Dutch Shell, TotalEnergies, Exxon Mobil Corp., ConocoPhillips, and Eni SpA. The project will feature six LNG trains, which will ramp up Qatar's liquefaction capacity from the current 77 million tonnes per annum (mtpa) to 126 mtpa by 2027.



Retail

Qatar's high per-capita income and affluent population have made it an attractive destination for many retailers looking to set up shop.

The retail and restaurant industry is projected to post a CAGR of 6.9% in terms of revenue from 2020 to 2025, boosted by the FIFA World Cup.



Tourism

Qatar's supply of hotel keys has reached 38,674 rooms, and this is expected to increase further to 45,000 rooms by the third quarter of 2022 – in the run up to the FIFA World Cup. Over the next five years, the country is expected to reach more than 50,000 hotel keys.

PUBLIC





Setting up business in Qatar

Qatar financial centre (QFC)

Entities registered under the QFC may operate internationally and in Qatar. Entities established under the QFC can be fully owned by foreign investors. Repatriation of capital and profits is permitted with no restrictions.

The QFC allows for various types of legal entities, including LLCs, general and limited partnerships and protected cell companies. All QFC entities must be licensed by the QFCA through the QFC's Companies Registration Office.

Entities wishing to work within or throughout the QFC must be engaged in specific activities and must obtain a license from the QFC authorities.

The permitted activities fall into two categories:

Regulated activities – activities undertaken by financial firms

Non-regulated activities – historically, non-regulated activities encompassed activities supporting financial services, such as accounting, audit and law firms.

Qatar free zone authority (QFZA)

The QFZA aims to provide a seamless and bureaucratic free process for incorporation and registration of 100% foreign-owned limited liability companies or branches of foreign-owned entities.

An independent authority, the QFZA, was created in 2018 to oversee and regulate the QFZ. As part of its ambitions to maintain global competitiveness, the QFZA exempts free zone companies from direct and indirect taxes (corporate and income tax) and applies a zero customs duty policy.

Undertaking any of the economic activities in or from the QFZ requires a license from the QFZA. The application process requires the submission of, among other things, a business plan and payment of an application fee.

In the event QFZ entities enter into business with mainland entities, the former will be treated as a foreign entity within the structure of the transaction, and shall be subject to local laws and regulations as applicable in that regard.

Onshore ownership

Setting up business onshore allows tariff free trading in Qatar but has differing implications for the type of ownership structure needed. An onshore presence means that a physical mainland office and a local sponsor who will have a 51% stake in the business are required. There are three types of local sponsors: local corporate sponsors, local individual sponsors and local service agents. Local corporates and individuals own 51% of the business, individuals will often act as a silent partner. Local service agents are individual nationals who are paid an annual fee to act as a representative for the business, they do not own shares.

100% Foreign ownership

New law introduced which allows Foreign ownership up to 100% is permitted subject to specific legislation

MSCI Inclusion

Qatar is working to be recognised as developed market by 2024 for MSCI index which will result in large inflow of funds to Qatar stock market

Country profile

Population:
2.6m

Debt/GDP:
76.0%

CPI (average):
3.7%

USD/QAR:
3.64

GDP:
US\$211bn

Real GDP growth
forecast 2023:
2.3%

Unemployment:
0.08%

Regulations – Liquidity Management Consideration

- ◆ LCY and FCY pooling allowed
- ◆ Cross Border cash concentration allowed in foreign currency

Legal Environment

- ◆ The existence and interaction of federal laws, individual Emirate laws and free zone laws can be complex

Regulations - Repatriation

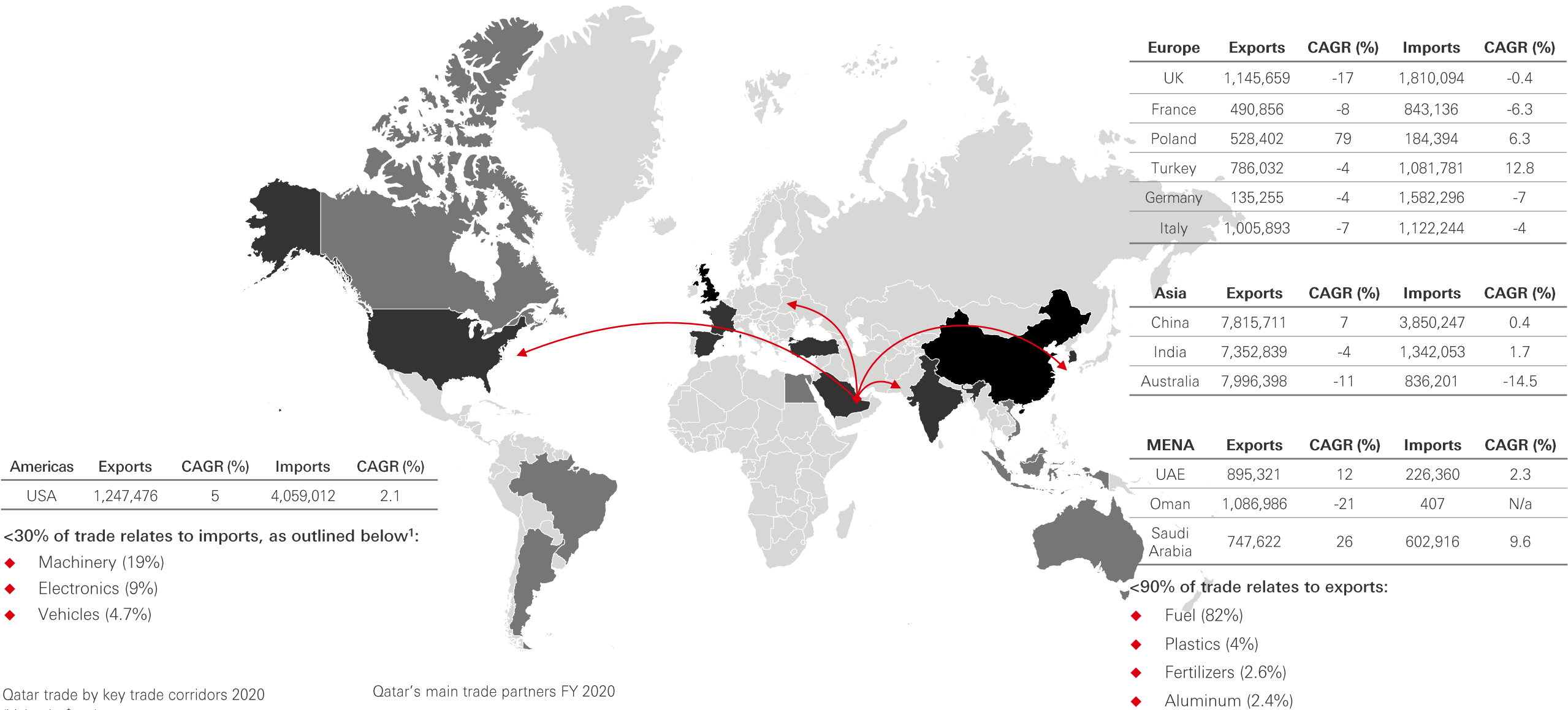
- ◆ Free repatriation of profits, dividends and capital
- ◆ No exchange tax is applied to the currency
- ◆ No capital gains tax
- ◆ With the exception of banks and oil companies, no corporate tax is in practice payable by businesses

Economic Update

- ◆ Qatar Vision 2030 sets the key themes for the socio-economic development of Qatar for the coming years
- ◆ Qatar is projecting strong GDP growth projections well above regional peers for next 5 years
- ◆ Core infrastructure projects, including those related to Qatar’s hosting of the 2022 FIFA World Cup are progressing well
- ◆ Qatar is targeting to boost its existing LNG production capacity by 64% by 2027 with estimated capex expenditure of c\$100bn to retain market leader position

Capital City	Doha
Area	11 571 (sq KM)
Language	Arabic
Currency	Qatari Riyal
International dialling code	+974
Working days	Sunday – Thursday
Stock exchanges	Qatar Stock Exchange (QSE)
Time zone	GMT +03:00
Doing Business rank 2020	77

Corridor Maps – Qatar



Qatar trade by key trade corridors 2020
(Value in \$mn)

■ 2019-2015 CAGR ■ Strong trading partners

Contact us

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In Bahrain



Diversified economy

Bahrain has made considerable progress in diversifying the economy.

Key initiatives

The following initiatives aim to support the development of Bahrain's economy over the coming years:

Bahrain Vision 2030



The Economic Vision 2030 was launched in October 2008 by His Majesty King Hamad bin Isa Al Khalifa, and is a comprehensive economic vision for Bahrain, providing a clear direction for the continued development of the Kingdom's economy and, at its heart, is a shared goal of building a better life for every Bahraini.

The Economic Vision 2030 focuses on shaping the vision of the government, society, and the economy, based around three guiding principles; sustainability, fairness, and competitiveness.

Metro Project



The Bahrain light rail network also known as Bahrain Metro is a proposed public transport project in the Kingdom of Bahrain.

First proposed in 2008 and under development by the Ministry of Transportation and Telecommunications, the \$7.9 billion project involves the construction of a 184km monorail system, being implemented in four phases.

At full capacity, the light rail network is expected to carry 43,000 passengers an hour. The project is expected to be awarded to the main contractors in June 2023 with project completion scheduled for December 2030.

Saudi Causeway



The King Fahd Causeway is a series of bridges and causeways connecting Saudi Arabia and Bahrain.

At 25 km. (15.5 mi.), the western terminus of the causeway is in Khobar, Saudi Arabia and the eastern terminus is in Al Jasra, Bahrain.

The Saudi Arabia Ministry of Transport (SAMOT) and Bahrain Ministry of Transportation (BMOT) and King Fahd Causeway Authority (KFCA) are planning to construct a second causeway that will link the Kingdom of Bahrain with the Kingdom of Saudi Arabia.

King Hamad Causeway is a US\$4,000 million project that involves the construction of a 25km road which consists of four lanes in Saudi Arabia.

BAPCO Modernisation programme



The Kingdom of Bahrain rolled out a new national economic growth and fiscal balance plan. The new five-pillar plan, which aligns with Bahrain's Economic Vision 2030 and the Kingdom's intention to achieve net zero by 2060, includes two main pillars:

A Strategic Projects Plan: Catalyzing over \$30 billion of investments, it comprises of 22 signature projects and creating new industrial investments across key sectors – including telecom, tourism, education, manufacturing and healthcare.

Priority Sectors Plan: six new sector strategies will be implemented across oil and gas, tourism, logistics, financial services, telecommunications, IT and digital economy and the manufacturing sector.

Growth sectors



Manufacturing

Metals, chemicals, food and electrical are areas seeing significant growth in the country.



Technology

Bahrain is a leading FinTech hub in the Middle East. It has set up a regulatory sandbox that allows FinTech firms to test new products and services in Bahrain, which includes Middle East's first licensed cryptocurrency exchange Rain.



Infrastructure

Strategic projects to improve infrastructure comprising of roads development, housing and logistics are underway. This includes Saudi Causeway and Metro project.



Logistics

Strategically located, Bahrain has earned a reputation as a key regional transport and logistics hub and is fast emerging as a major distribution and fulfilment center hub. Covid-19 has accelerated the uptake of technology in the country's logistics sector, including the launch of a "SmartHub" logistics warehouse for pharmaceuticals and food in Bahrain to serve the GCC market. Bahrain's Al Hidd has been ranked first globally in the 'Transport and Warehousing Cost-Effectiveness' category by FDI Intelligence. The country's plan aims to ensure that Bahrain is classified as one of the top 20 countries worldwide in the logistics sector by 2030.



Energy

With continued importance of Oil & Gas coupled with focus on diversification through renewed focus on solar and sustainable energy as the most viable non-hydrocarbon-based alternatives for the country.



Tourism


Tourism in Bahrain is back on the rise after the decrease the global tourism industry saw in 2020. It is predicated that tourism will contribute USD 133.6 Billion to the Middle East's GDP by the end of 2028. According to the EDB, there are over USD 10 bn pipeline of tourism infrastructure projects in Bahrain with the sector being considered one of the 6 priority sectors in the Bahrain Economic Recovery Plan. The plan aims to increase the Tourism Sector's contribution to the Kingdom's GDP to 11.4% by 2026.



Financial Institutions

Bahrain is one of the major financial center's in the MENA region and its success is due, in part, to its geographical location between east and west time zones and its proximity to Kuwait and Saudi Arabia. Financial services remain the largest non-oil component of the real economy, accounting for approximately 17.4% of real GDP.





Setting up business in Bahrain

Gateway to GCC's \$1.5tn market

Bahrain is the natural gateway to the Gulf, with particularly favorable access to Saudi Arabia, the region's single largest market.

Its central location provides unrivalled entry in to other GCC markets via road, air and sea.

Besides acting as an ideal entry point in to Middle East, it has become operational HUB for major companies with business interests in GCC, broader Middle East & North Africa.

Onshore registration

Several company types and partnerships are eligible, and businesses can typically benefit from very low tax liabilities, minimum red tape and recruitment restrictions, and modern infrastructure. Typical formations include sole proprietorship, general or limited partnerships, joint stock, or limited liability partnerships.

Conducive Business Environment

No free zone restrictions, 100% foreign ownership allowed for most activities, 30% lower operating costs than regional neighbors complimented by talented and competitive workforce.

Bahrain has taken solid steps towards introducing initiatives that create an enabling and innovative ecosystem, which allows businesses to thrive, achieving the distinction of the 4th most improved economy in 2019 (World Bank).

Exceptional lifestyle

Bahrain ranks 1st globally for work/life balance and 1st in MENA for personal happiness, regarded highly for its job opportunities, career satisfaction rates, and friendly culture – noted for being the world's second easiest place to settle in.

Bahrain Free Trade Agreements

Bahrain has FTAs with 22 countries to promote import & exports trading between countries.

Key ones include GCC Free Trade Agreement, US-Bahrain FTA, GAFTA. GSFTA among others.

Country profile



Regulations – Liquidity Management Consideration

- ◆ LCY and FCY pooling allowed
- ◆ Cross Border cash concentration allowed in foreign currency

Legal Environment

- ◆ The existence and interaction of federal laws and local laws can be complex

Regulations - Repatriation

- ◆ Free repatriation of profits, dividends and capital
- ◆ No capital gains tax
- ◆ 100% foreign ownership in majority of the sectors with no requirement of a local partner
- ◆ 5% VAT is in effect since Jan’2019

Economic Update

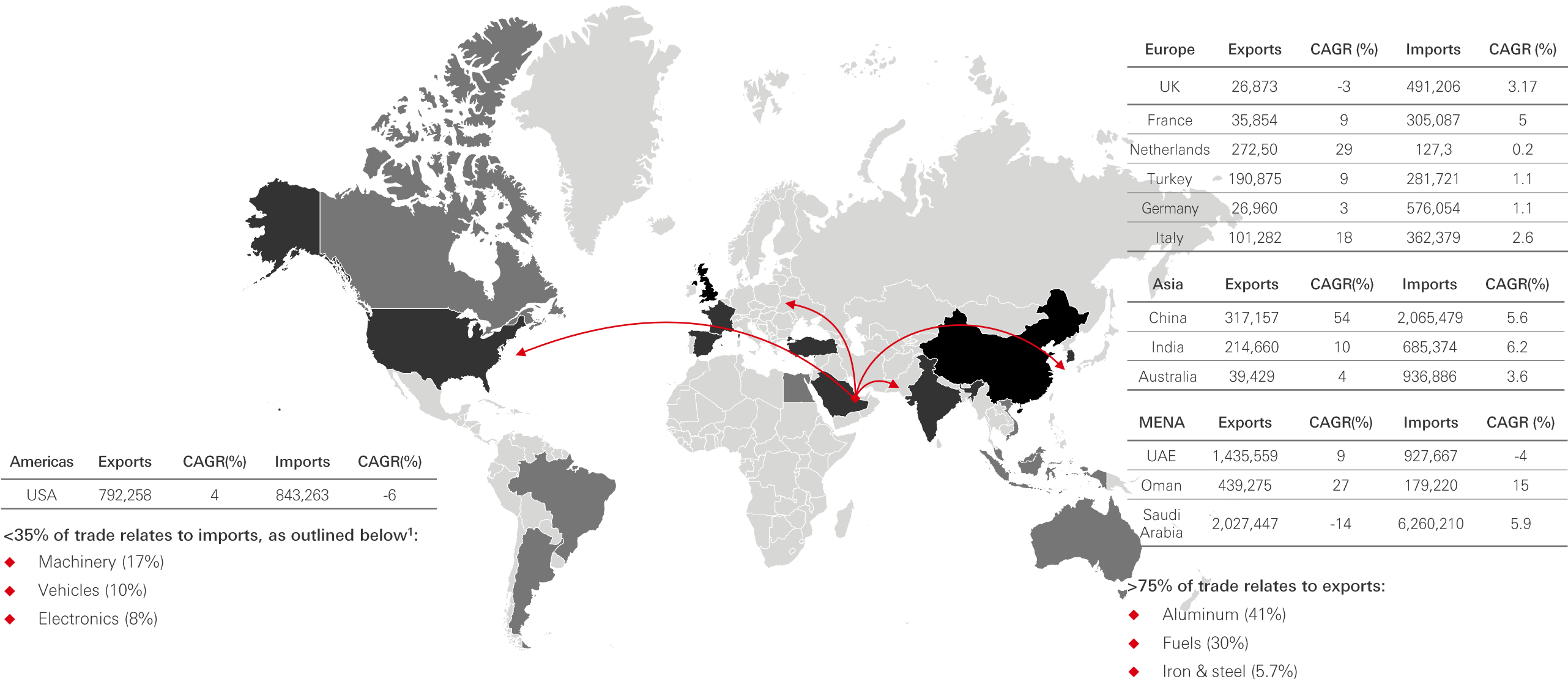
- ◆ Key sectors continued to demonstrate resilient performance despite subdued oil prices, buoyed by acceleration in construction activity with infrastructure projects leading the momentum across both government & private sector
- ◆ Progress on core infrastructure projects, including those related to Airport Modernisation, ALBA Potline 6 and BAPCO Modernisation, Sports City are on schedule
- ◆ As part of the new national and economic growth and fiscal balance plan, the country has announced the priority sector plan. The six new sector strategies will be implemented across oil and gas; tourism; logistics; financial services; telecommunications, IT and digital economy; and the manufacturing sector. The new sector strategies aim to support annual growth of 5% in the non-oil sector by 2022.

PUBLIC

Capital City	Manama
Area	780 km²
Language	Arabic
Currency	Bahraini Dinar (BHD)
International dialling code	+973
Working days	Sunday – Thursday
Stock exchanges	Bahrain Stock Exchange (BSE)
Time zone	GMT +03:00
Doing Business rank 2020	43

1. Data for 2023; HSBC Research
2. Nominal GDP in PPP terms

Corridor Maps – Bahrain



Bahrain trade by key trade corridors 2020
(Value in \$mn)

■ 2019-2015 CAGR ■ Strong trading partners

Bahrain’s main trade partners FY 2019

Imports: Saudi Arabia, China & Australia
Exports: Saudi Arabia, UAE & USA

Contact us

Bahrain team



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Please reach out to our HSBC representatives today who can get you started on exploring the opportunities in Bahrain



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In Kuwait



Diversified economy

Kuwait is working towards its strategy to diversify the economy.

Boosted by a robust macroeconomic environment, Kuwait is expected to witness solid growth in spending in 2023. As relatively strong oil prices support export revenue, consumer spending in Kuwait in 2023 will post moderate yet stable growth of 4.4 percent year-on-year.

Key initiatives

The following initiatives aim to support the development of the Kuwait's economy over the coming years:

Kuwait Vision 2035



The Vision 2035 aims to transform Kuwait into a financial and trade hub, attractive to investors, where the private sector leads the economy, creating competition and promoting production efficiency under the umbrella of enabling government institutions, which accentuates values, and achieves human resource development, providing adequate infrastructure, advanced legislation and inspiring business environment.

1. <https://www.nationalfund.gov.kw/en/>
2. <https://www.newkuwait.gov.kw/r1.aspx>
3. <https://www.boursakuwait.com.kw/api/documents/boursa/1607147257237.pdf>

Transport Infrastructure Development



Kuwait has a plan to further develop its transport infrastructure in a massive programme of works. A budget of US\$16.3 billion has been set for the 15-year plan from the Public Authority for Roads and Land Transport (PART).

The work is due to start in 2023. Key projects include construction of the Fourth Ring Road, Fahaheel Road, the Third Ring Road and the East Raqqa Roads Project.

New rail infrastructure will also be included in Kuwait's programme of works.

New Mubarak Port Al-Kabeer



A \$6.5 billion Mubarak Al Khabeer Port project in Boubiyan Island was a key component of the first phase of the \$86 billion Silk City (Madinat Al Hareer) project planned in northern Kuwait near the Iraq border. The project is currently under feasibility study.

Jurassic Production Facilities – JPF4 & 5



Both projects estimated to be c.\$1bn, are onshore surface production facilities and will be implemented on a build-own-operate (BOO) basis by a contractor, with an option for KOC to buy them back at a future date.

The facilities are due to be built with the capacity to produce 50,000 barrels per day (bpd) of treated sweet crude (Jurassic light oil with 40°- 50° American Petroleum Institute (API) gravity) and 150 million standard cubic feet (Mscf) a day of sweet and dehydrated rich gas. They will both include a produced-water treatment unit and a sulphur recovery unit, as well as associated utilities and supporting systems.

Kuwait National Development Plan Pillars “KNDP”



Infrastructure:

Kuwait has earmarked more than USD 103 Bn in the second Kuwait Development Plan and has earmarked a similar amount for the new five year development plan for infrastructure development in sectors such as power, water, transport infrastructure (ports, aviation and rail) providing opportunities for international investors. Kuwait is the first country in the region to adopt a Public Private Partnership (PPP) framework to attract foreign developers



Living Environment

Best living condition through environmentally sound resources and tactics. The aim is to increase the renewable energy resources by 15% by 2035



Healthcare

Invest in health care sector and increase local capabilities to form a robust system to service the whole community and provide the farthest care



Public Administration

Reform Administrative and bureaucratic practices to reinforce transparency, accountability and efficiency in the government.



Global Position

Enhance Kuwait's regional and global presence in spheres such as diplomacy, trade, culture, and philanthropy



Human Capital

Reshape the education structure to enhance youth in becoming pioneer and creative.





Setting up business in Kuwait

Low Tax

Foreign companies engaged in commercial activities in Kuwait, directly or indirectly, are liable to pay corporate tax on their earnings at a low flat rate of 15% in accordance to Law no. 2 of 2008 that replaced Kuwait Income Tax Decree no. 3 of 1955 whereby the corporate tax rate followed a progressive system reaching up to 55%.

There is no individual income tax nor any other taxes in Kuwait. However it is been widely considered to introduce such taxes under the current Financial & Economic reform Program for the medium term in the State of Kuwait.

Legal Framework

Kuwait's macroeconomic environment is supported by a stable legal framework. The legal framework follows leading international standards and bodies of law governing business and commercial activities including intellectual property protection and environmental regulations.

Foreign Direct Investment

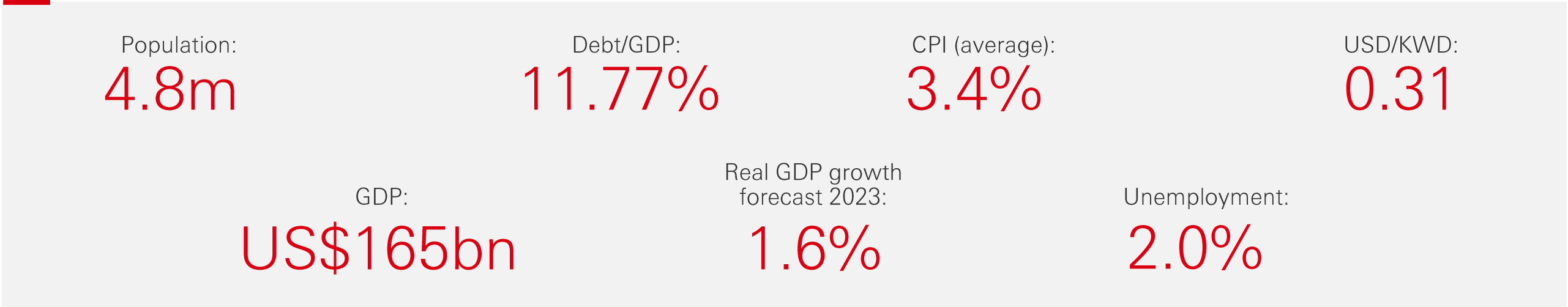
Kuwait Direct Investment Promotion Authority "KDIPA" role is to implement Kuwait's Foreign Direct Investment goals and oversee the process of approving and licensing foreign investments in the country

The Cumulative volume of approved direct investments since KDIPA started receiving applications for investment licensing and granting incentives in early January 2015 until the end of March 2020 reached a total of KWD 1,075,186,892 arising from 54 investment entitles.

Conducive Business Environment

No Free Zone restrictions, 100% Foreign ownership in majority of the sectors including infrastructure, insurance, IT, software development, Hospitals, Pharma among others and competitive operating costs complimented by skilled workforce. Besides businesses can benefit from up to 10 years exemption from income tax and other taxes, partial or full customs duties exemptions, allocation of land, employment of foreign labour, and guarantees including protection against nationalisation or expropriation without compensation.

Country profile



Regulations – Liquidity Management Consideration

- ◆ LCY and FCY pooling allowed
- ◆ Cross Border cash concentration allowed in foreign currency

Legal Environment

- ◆ The existence and interaction of federal laws, individual Emirate laws and free zone laws can be complex

Regulations - Repatriation

- ◆ Free repatriation of profits, dividends and capital
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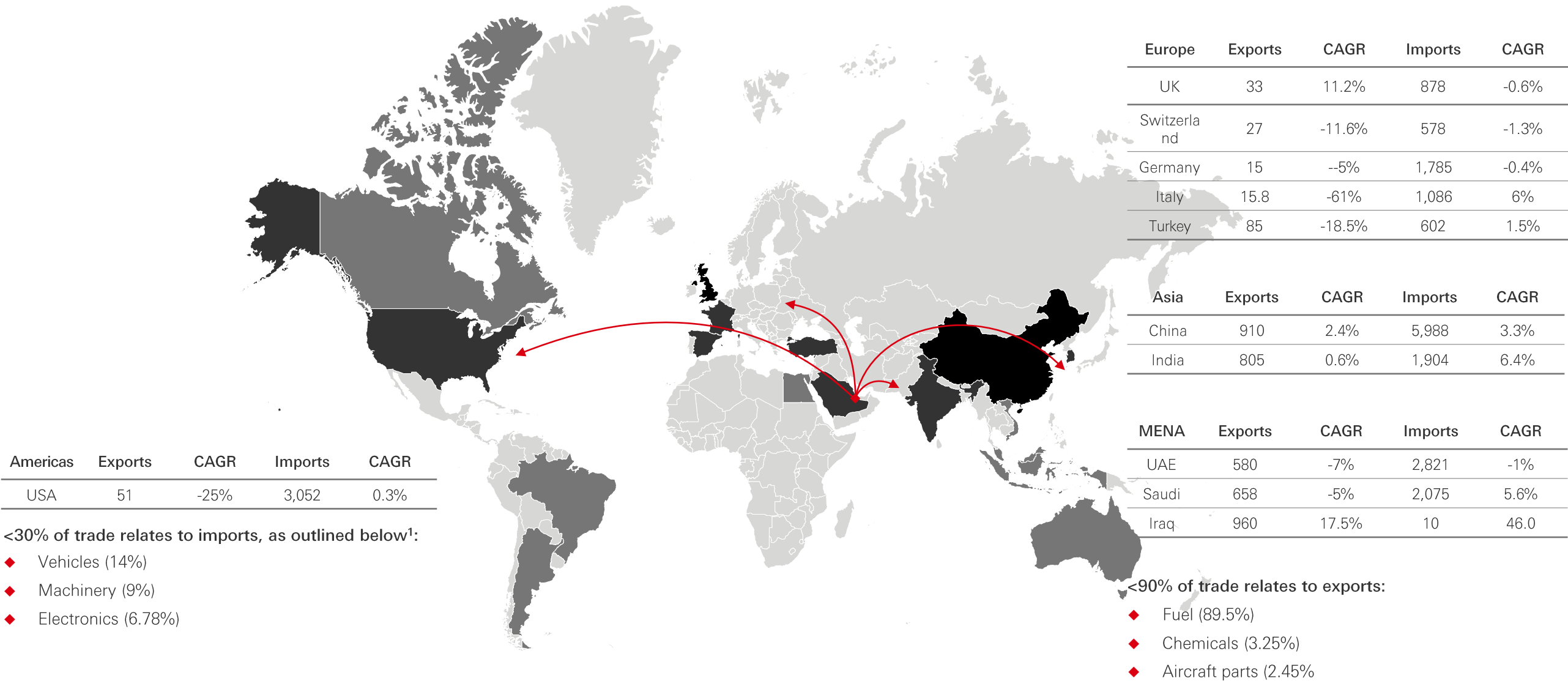
Economic Update

- ◆ Kuwait’s Vision 2035 aims to transform Kuwait in to regional & international financial and trade hub targeting quality investors
- ◆ Focus is on reducing reliance on hydrocarbon exports, creating new employment opportunities for Kuwaiti nationals, upgrading infrastructure to diversify the economy and providing a sustainable living environment
- ◆ Kuwait is one of the world’s top supplier of Fossil fuels

Capital City	Kuwait City
Area	17,818 (sq KM)
Language	Arabic
Currency	Dinar (KWD)
International dialling code	+965
Working days	Sunday – Thursday
Stock exchanges	Boursa Kuwait
Time zone	GMT +03:00
Doing Business rank 2020	83

1. Data for 2023; HSBC Research
2. Nominal GDP in PPP terms

Corridor Maps – Kuwait



Kuwait trade by key trade corridors 2019
(Value in \$mn)

■ 2019-2015 CAGR ■ Strong trading partners

Kuwait's main trade partners FY 2019

Imports: China, USA, & UAE
Exports: Iraq, China, India

Contact us

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In Algeria



Modernising Algeria

Algeria is the largest country by territory on the African continent and has the second largest population in the Arab world. The hydrocarbons sector is the backbone of the Algerian economy. The country is the 11th largest natural gas reserves in the world and the 7th largest gas exporter.

Key initiatives

Through the ambitious 2021 Government Action Plan (GAP), Algeria is reinforcing measures to open the economy, stimulate private investment, diminish informality, and gradually diversify the economy with an ongoing structural shift towards renewable.

With large oil and gas reserves, Algeria has significant potential for shale gas development and other sectors such as agriculture, renewable energy and tourism.

Reforming governance



Revisions to the organic law on the State Council, creation of new specialised commercial tribunals
Adoption of a new investment code and preparation of a new competition law to improve the business environment
Acceleration of efforts to promote digitalisation and facilitate business creation , for example by revamping the one-stop shop, increasing digiral taxpayer services, creation of a portal for public procurement, and digitisation of many government services
Improve governance and reduce potential for corruption including the formal installation of the new High Authority in charge of fighting corruption.

Modernisation of the banking and financial sector



Reform of the law on Money and Credit to spur innovation in the financial sector, including in the fields of electronic payment systems, digital banks, and Islamic finance
Expansion of the bank and insurance networks, including for Islamic financial products

Exports diversification and promotion



Completion of a national strategy for exports and various measures to boost non-hydrocarbon exports including fiscal incentives
-Preparation of a new law on free zones
-Evaluation of several bilateral and multilateral trade agreements and of the process for accession to the WTO
Adhesion to the African Continental Free Trade Area

Supporting economic recovery



Development strategy for the energy and mining sectors including transition to renewable energy sources, agriculture and fishing, pharmaceuticals, and tourism
Local Production & national priority Import substitution policies
Preparation of a legal framework for PPPs to sustain investment in infrastructure
Preparation for the launch of large investment projects in infrastructure and mining, in partnership with foreign investors

Growth sectors

Algeria has benefited more than most of its neighbours in the Gulf from the fruits of a diverse economy, and its ability to reinvent itself as a hub for multiple sectors means it continues to be the focal point in the MENAT region for many growth industries.



Technology

Algerian Telecom Group and the Ministry of Posts and Telecommunications are working to develop a national fibre network that will double international fibre capacity.



Education

With around 1 million students in pre-primary, 4.5 million in primary, 4.7 million in secondary, and more than 2.9 million in tertiary, the sector presents a slew of opportunities for private sector players focusing on Arabic and French languages



Healthcare

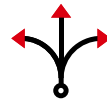
Healthcare expenditure has made up around 6.6% of GDP in recent years. The sector is heavily subsidised, with the state deeply involved in the sector, but a number of private facilities have opened up in recent years. A health plan for 2009-2025 provides for investments of EUR 20 billion for the construction of new health facilities and the modernisation of existing hospitals.



Energy

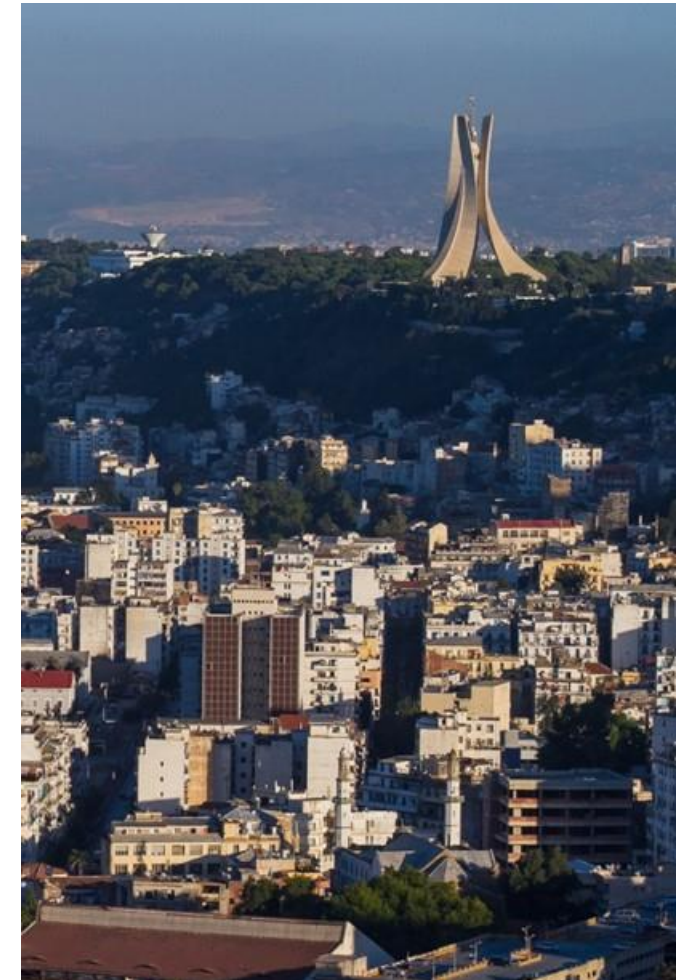
Algeria aims to reduce its greenhouse gas emissions by 7% by 2030. It ranks 10th among global natural gas producers, with 2.2% of global output. Oil output stood at 1.57 million barrels per day.

Energy group Eni and state-owned Sonatrach signed a deal in 2022 to accelerate the development of gas fields and green hydrogen in Algeria, part of an initiative to increase the north African country's gas exports to Italy.



Logistics

The country boasts 18 airports, including a US\$ 600 million international air terminal in Algiers, and 13 seaports. It also has Africa's fourth largest railway network spanning 4,500 kilometres, which connects coastal cities to northern regions.





Setting up business in Algeria

Freezones

On 21 June 2022, the National People’s Assembly adopted the draft bill on free zones.

The law provides for the exemption of activities carried out in free zones from all duties, taxes, and levies of a tax, related-tax and customs nature, with the exception of duties and taxes related to vehicles and passenger cars, taxes related to vehicles and cars intended for operation, and also, with the exception of contributions to the social security system.

The law provides for the creation of free trade zones and a company in charge of managing these zones, called the “Société Algérienne des zones franches”, and a national commission for free trade zones placed with the Minister for Trade.

Onshore registration

When incorporating, you must look at the law in the country, in Algeria it is mixed (civil and sharia) law. You will want to get some local advice as to how to best structure a company in Algeria. Following proper process of Capital injection will secure future dividend payments. E-signatures are allowed.

The abbreviation DZ is for Algeria and the most common legal entity type in Algeria is a LLC (SARL).

When setting up, budget about 24 days to put together the paperwork and file a LLC (SARL) in DZ. DZD has exclusive legal tender and companies are allowed to open foreign currency accounts subject to business rationale.

Redomiciliation is not common. One is typically not permitted to change the jurisdiction.

There must be at least 1 shareholder. This makes it possible for you to own a LLC (SARL) in DZ by yourself. Corporate Shareholders are permitted, which means you can have a legal entity as a shareholder. Foreign ownership is allowed, and capped to 49% for “purchase to resale” & strategic sectors.

Doing business in Algeria

There are numerous reform packages at various stages of planning or completion, from investment law, tax to digital infrastructure, and from seeking a construction permit to investing from offshore. The government is working on business reform not only to attract foreign investment and diversify away from oil and gas, but also to make it easier for Algerians to flex their entrepreneurial muscle.

Many reforms are aimed at streamlining processes for SMEs & Startups, which are the engine room of so many economies. Others are aimed at engaging and growing the renewable energy sector.

Algeria has numerous advantages over other economies, including its geographic location as an interface between Europe and Africa and inside the Maghreb; as well as its climate, low cost of energy (gas, fuel and electricity) and low population density across its enormous land mass, lending itself to various types of renewable energy ventures.

Country profile



Regulations – Liquidity Management Consideration

- ◆ The currency’s value is not controlled by any market mechanism and is set solely by the central bank
- ◆ Algerian exchange control law remains strict and complex

Legal Environment

- ◆ Public and private companies compete under the same terms with respect to market share, products and services, and incentives
- ◆ Audits of public companies can be conducted by the Court of Auditors, a financially autonomous institution

Regulations - Repatriation

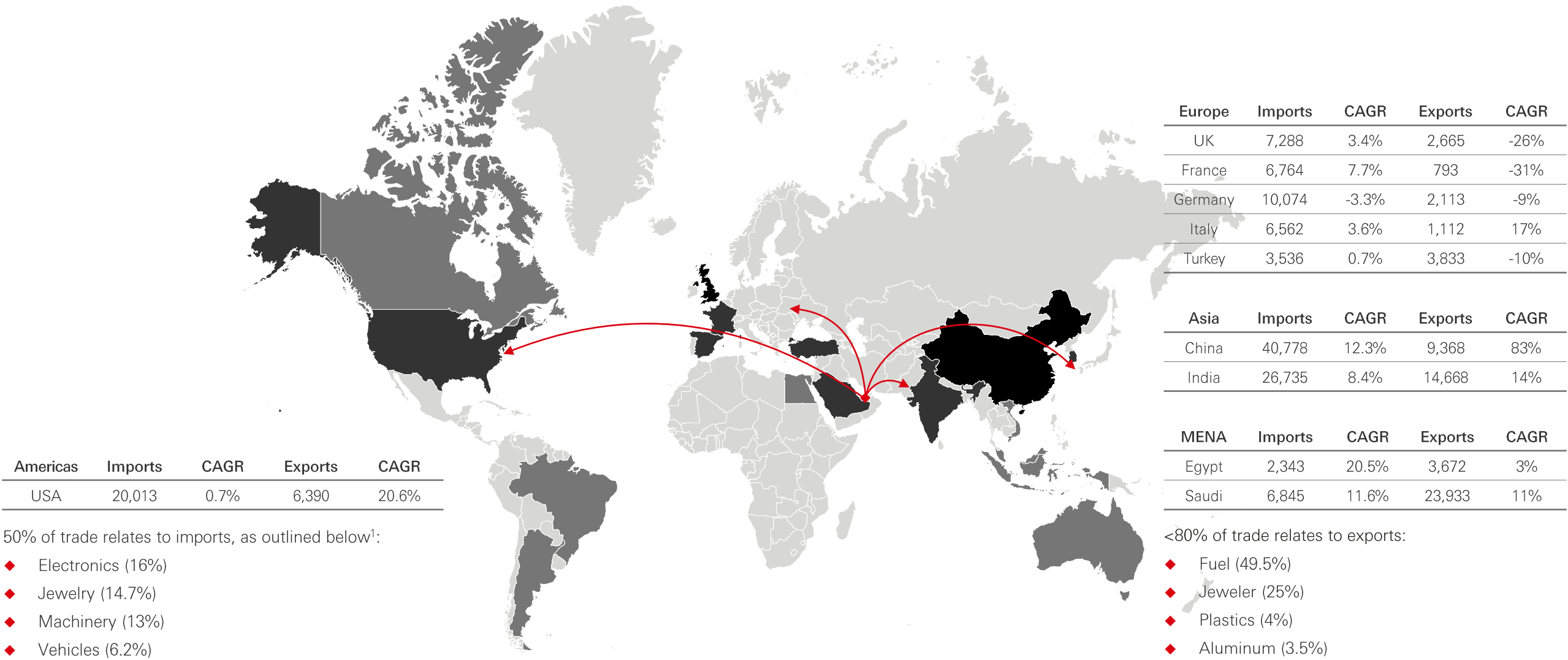
- ◆ There are few statutory restrictions on foreign investors converting, transferring, or repatriating funds

Economic Update

- ◆ 2023 budget forecast 3.3% growth with non-oil growth rising 3.7%
- ◆ New Government Action Plan aims to boost economic activity
- ◆ Government plans to strengthen transparency, enhance climate resilience and has launched efforts to encourage digitalisation, foreign direct investment and competition
- ◆ Benefitted from higher liquefied natural gas exports to energy-hungry Europe in 2022
- ◆ Higher gas and crude oil prices provide cushion to stimulate economy
- ◆ Nascent FX interbank market with Central Bank the main market maker

Capital City	Algiers
Area	2.38 million (sq KM)
Language	Arabic, French
Currency	Algerian Dinar (DZD)
International dialling code	+213
Working days	Sunday – Thursday
Stock exchanges	Algiers Stock Exchange
Time zone	GMT +01:00
Doing Business rank 2020	157

Corridor Maps - ALGERIA



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Algeria team



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Please reach out to our HSBC representatives today who can get you started on exploring the opportunities in Algeria



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In Türkiye



Türkiye: The World's 19th Largest Economy

The G20 nation is a gateway connecting Europe to Asia and the Middle East

Key initiatives

A number of new economic initiative set to ramp up economic growth:

VISION 2030



The aspirational Vision 2023 aims to harness Türkiye's strength and transform it into one of the biggest economies in the world. The vision is underpinned by a strong logistics and transport infrastructure and focus on manufacturing and tourism, in addition to nurturing ICT & renewable energy sectors.

Istanbul Financial Centre



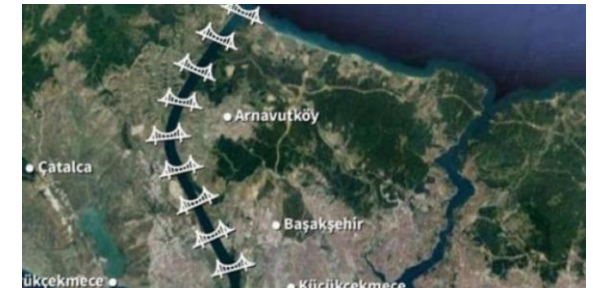
The IFC will include 1.4 million sqm of office space, retail and hotel, created within a 'smart city' model. IFC will bring together banks, brokerage firms, insurance companies, professional service companies along with Turkish and global financial institutions.

Ankuyyu Nulear Power Project



Türkiye began the Russia-backed project to diversify its energy sources and reduce dependence on imports. The 4.4GW project envisions three operational nuclear power plants by 2023, to meet 10% of the country's energy needs.

Istanbul Canal



The canal is an artificial sea-level waterway that will be built parallel to the Bosphorus and will connect the Black Sea to the Sea of Marmara. The US\$10 billion project can accommodate 160 vessel transits a day – similar to the current volume of traffic through the Bosphorus.

1. <https://gulfbusiness.com/non-oil-contribution-to-uaes-gdp-reaches-72-3-in-2021/>
2. <https://gulfnnews.com/uae/government/oil-contribution-to-uae-gdp-down-to-30-1.1616600>

Growth sectors

Türkiye's strategic location and enhanced production capabilities is encouraging multinationals seeking to invest in the country



Healthcare

Integrated healthcare campuses are being developed across the country and more opportunities are in the pipeline.

Türkiye is also an FDI magnet for pharma biotech industries with US\$35B annual spending on healthcare. Global pharma players have also embarked on intensive M&A investment flows targeting attractive domestic companies.



Technology

Around 92 technoparks are home to 7,331 companies including 282 foreign companies. Profits from Technology Development Zones are exempt from income and corporate taxes, and VAT till end of 2023. Favourable demographics with a dynamic young and online population supports the ICT sector and a strong pool of local tech talent.



Energy

Europe's 5th largest electricity market (and 4th in gas consumption) expects investments of \$11 billion by 2023 as part of the National Energy Efficiency Action Plan. Renewables accounted for 43% of total energy production. In light of geopolitical tensions, Türkiye is also positioning itself as a reliable route of transporting energy sources on the east-west axis.



Tourism

The world's 6th most popular destination hosted 51 million tourists pre-pandemic. The country aims to attract 63 million tourists in 2023, generating US\$55 billion in revenues. The country's hospitality Industry is poised to grow at an annual growth rate of 2.5% by 2027.





Setting up business in Türkiye

Gateway to Europe and the GCC

Türkiye has made extensive efforts to attract foreign direct investment (FDI), leveraging its access to 1.3 bln people and more than US\$20 trln worth of trade volume within a four-hour flight radius covering Europe and the key economies of the GCC. Investors can establish a business in Türkiye irrespective of nationality or place of residence and the conditions for foreign investors setting up a business and transferring shares are the same as those applied to local investors.

Taxes

There has been a lot of recent activity in Türkiye's tax system. The corporate tax rate temporarily increased to 23% for income in 2022 and will return to 20% from 2023 if the legislation remains unchanged. Companies in the financial sector pay 25% corporate tax but Representative Offices are not subject to tax. In 2020, a 7.5% digital services tax—mainly applicable to online advertising services, digital content sales and digital platform services—was introduced for providers exceeding global revenue of EUR 750 mln and local revenue of TRY 20 mln. Türkiye's Value-Added Tax (VAT) stands at 18%. For individuals, income taxes are on a progressive scale of 15% to 40%.

Investment Zones

Investment Zones

There are three different types of Investment Zones.

- There are 19 Economic Free Zones (EFZ) focusing on diverse sectors including manufacturing and software. Companies operating in EFZs are exempt from corporate taxes and VAT, and revenue and profits from their activities can be transferred within Türkiye and abroad. Companies in EFZs also enjoy exemptions from stamp duty, real estate and property taxes.
- There are 63 Technology Development Zones (TDZ) in operation and 21 that are under construction to support R&D activities and attract investments in high-tech sectors. Incentives for companies in the TDZ include exemption from income and corporate taxes until Dec 31, 2023.
- Organised Industrial Zones (OIZ) are the most extensive of Türkiye's Investment Zones, with 258 currently operational and 95 under construction. Benefits for the more than 67,000 companies in the OIZs are exemptions from VAT for land acquisitions and from municipality tax for the construction and usage of the plants.

Legal system

Türkiye has a civil law system, which has been wholly integrated with the continental European system. For instance, the Turkish civil law system has been modified by incorporating elements mainly of the Swiss Civil Code, the Code of Obligations and the German Commercial Code.

The administrative law bears similarities with the French Counterpart and the penal code with the Italian Counterpart.

Five types of companies are recognised: joint stock, limited, collective, limited partnership and cooperative. Branch offices of foreign companies are registered as domestic commercial enterprises. Representative offices of foreign firms cannot engage in commercial activities, and the preferred option for Joint Ventures (JVs) are joint stock companies that can establish groups of shares.

Country profile



Regulations – Companies Related

- ◆ 100% foreign ownership is allowed for companies in most sectors.
- ◆ The repatriation of profits is subject to dividend withholding tax of 15%.
- ◆ Foreign investors can incorporate or invest in companies and open branches or representative offices.
- ◆ Hiring of non-locals in most sectors is subject to five Turkish citizens per foreign worker.

Legal Environment

- Türkiye’s legal system is based on civil law.
- ◆ The government is implementing a series of judicial reforms, the third Strategy Document of which was released in 2019.
 - ◆ Current judicial reforms include strengthening the independence of the judiciary, improving impartiality and increasing the transparency of the system
 - ◆ For businesses, there are laws governing matters such as competition, and sectors such as banking, capital market and energy.

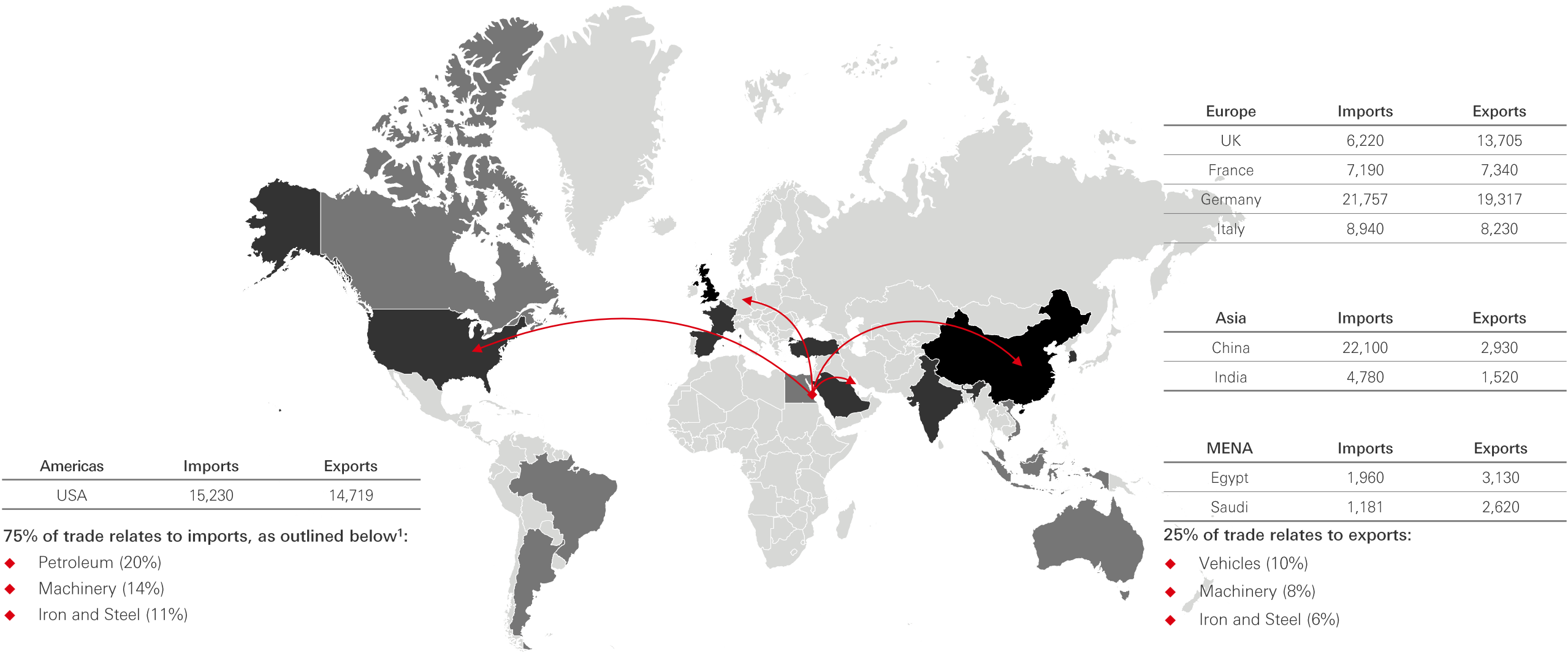
Economic Update

- ◆ Exports are back on a strong growth track after a contraction of 6.18% in 2020. In fact, export growth of 32.75% in 2021 and 12.86% in 2022 were higher than the three years pre-Covid.
- ◆ High value, big ticket goods of vehicles and motor cars saw stable exports from 2020 to 2022, while another of Türkiye’s strong sectors, apparel and clothing accessories, continues to increase in exports year-on-year.
- ◆ Six of Türkiye’s top 10 export destinations are in Europe—led by Germany US\$21.14 bln, UK US\$13.01 bln and Italy US\$12.35 bln—while USA is its second-biggest destination (US\$16.88 bln).
- ◆ Türkiye was the sixth most popular tourism destination pre-pandemic and the sector is seeing strong recovery. Tourism income reached US\$46.28 bln in 2022.

Capital City	Ankara
Area	783.356 (sq KM)
Language	Turkish
Currency	Turkish Lira (TRY)
International dialling code	+90
Working days	Monday-Friday
Stock exchanges	Borsa Istanbul (BIST)
Time zone	GMT +03:00
Doing Business rank 2020	33

1. HSBC Global research, IMF Country Report JAN 2023,

Corridor Maps – Türkiye



Türkiye trade by key trade corridors 2019-2017
(Value in \$mln)

■ 2019-2015 CAGR ■ Strong trading partners

Türkiye main trade partners FY 2019-2017

Imports: China, Russia & German
Exports: Germany, USA & UK

1. International Trade Centre, IMF

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Please reach out to our HSBC representatives today who can get you started on exploring the opportunities in Türkiye



Regional Sector Views



A supercycle of investment in technology



UAE

- ◆ Technology is central to the UAE economy's competitiveness, with a number of initiatives underway to ensure the sector remains a driver of growth. These include the UAE Fourth Industrial Revolution (4IR) Strategy, based on futuristic applications that merge material, digital, and biological technologies.
- ◆ The Industry 4.0 plan aims to boost productivity and innovation, increase manufacturing by 30%, and contribute US\$ 6.8 billion to the country's economy by 2031.
- ◆ The National Space Programme will be led by a new generation of Emiratis, and is part of the UAE's ambitious space programme, which already sent Hope orbiter, an interplanetary mission, to Mars in February 2021. The programme plans to build the first human settlement in the red planet by 2117.
- ◆ The Emirates Blockchain Strategy 2021 also aims to capitalise on the nascent technology, while Dubai's Metaverse Strategy will create 40,000 jobs by 2030, and contribute US\$ 4 billion to the economy in five years.



KSA

- ◆ Investments in technology are set to transform every aspect of Saudi economy. From smart logistics for ports to Big Data for corporations, technology will be critical in creating a dynamic Saudi economy.
- ◆ Global technology companies including Google, Alibaba, Oracle and SAP have invested more than \$2.5 billion in Saudi Arabia in the past few years.
- ◆ Saudi Telecom Company recently struck a deal with Huawei to build manufacturing facilities for datacentre equipment and hardware established in the kingdom.
- ◆ Startup culture is also taking off in Saudi Arabia with a number of new companies focused on logistics, services and consumer apps sowing the seeds of a dynamic digital economy.
- ◆ Saudi startups raised US\$584 million in financing across 79 deals in the first half of the year, according to research firm Magnitt.



Egypt

- ◆ Egypt's "Our Future is Digital" initiative advocates for youth training in a bid to hone Egyptians' ICT skills in areas of high market demand, including website design, data analysis, and digital marketing.
- ◆ The ICT 2030 strategy envisions investments in capacity building and training programmes, digital government services reforms, and infrastructure upgrades. As Egypt moves toward a knowledge-based economy, authorities aim to boost the ICT sector's contribution, with focus on capacity building, electronics design and manufacturing, and technology parks.
- ◆ The strategy also includes digital transformation in education, healthcare, and government services.



Qatar

- ◆ Qatar's ICT spending will rise 9.2% during the 2019-2024 period, to reach US\$ 9 billion. Growth will be driven by large-scale infrastructure, and government-led projects in the transportation, energy, and construction sectors, according to Global Data.
- ◆ The country's software market is projected to be a US\$ 1.8 billion industry, while the hardware market will be valued at US\$ 2.5 billion by the end of 2024. IT services are expected to account for more than 52% of the total ICT spending, and will reach US\$ 5 billion by the end of 2024.
- ◆ Qatar is encouraging telecom companies to deploy 5G technology as an infrastructural foundation for innovations, such as intelligent roads, service drones, and virtual realities. The Communications Regulatory Authority has also issued a 5G spectrum operation license to roll out 5G-enabled devices to customers.

A supercycle of investment in technology



Türkiye

- ◆ The value of Turkey's ICT market has reached US\$ 27 billion, with a workforce of almost 160,000 in the past five years.
- ◆ The country is home to 72 technoparks, and 1,242 research and development centres, featuring a mix of domestic and international companies.
- ◆ Fixed and mobile broadband subscriptions in Turkey have exceeded 83 million in 2020, a penetration rate of 90%, with a high mobile/smartphone possession rate of 95.3%, the 14th highest in the world.
- ◆ Turkey's strong ICT infrastructure has allowed it to position itself as a hub for artificial intelligence (AI) and data analytics, cloud computing, gaming, and fintech.



Oman

- ◆ The country's ICT market will rise 75% to US\$ 5.6 billion by 2024, from US\$ 3.2 billion in 2019, according to a recent report by market research firm GlobalData. Growth will be driven by digital government services, cloud computing, cybersecurity, ecommerce, and upgrade of business and public sector infrastructure.
- ◆ The telecom sector is investing heavily in technologies such as 5G and Internet of Things (IoT), to meet the ever-growing appetite for mobile and Internet services.
- ◆ The Oman Communications and Information Technology Group (ITHCA), which is part of the Oman Investment Authority, plans to invest US\$ 370 million by 2025 in 11 key areas.



Bahrain

- ◆ Bahrain's customs department recently introduced blockchain technology to enhance the accuracy of digital customs transactions, maintain their confidentiality, and improve automation. Ofoq 2 system is among several digital transformation initiatives being adopted by the Customs Affairs.
- ◆ The Economic Development Board and Batelco have launched the "Brinc Centre" – Batelco Internet of Things HUB, which will contribute to strengthening the region's digital ecosystem by fostering the growth of IoT and entrepreneurship.
- ◆ The plan includes raising the number of ICT sector start-ups by 20%, digitising 200 government services, increasing national employment in the sector by 35%, and training at least 20,000 citizens on cybersecurity.



Kuwait

- ◆ ICT spending in the country rose to US\$ 4.85 billion in 2021 and is expected to rise to US\$ 5.15 billion by 2024, as businesses boost investments in telecom, cloud computing, Internet of Things (IoT), big data and artificial intelligence in the post-pandemic hybrid world.
- ◆ Zain Kuwait recently signed a deal with Ericsson to upgrade and modernise its existing business support systems for the commercial launch of 5G services.
- ◆ Kalaam Telecom recently acquired rivals to create a one-stop digital solution provider for enterprises, making it among the top three Internet service providers (ISPs) in the GCC.



Algeria

- ◆ Algerian Telecom Group and the Ministry of Posts and Telecommunications are working to develop a national fibre network that will double international fibre capacity.
- ◆ Internet penetration in the country stood at just under 60%, while mobile connections reached 46.82 million, or more than 100% penetration rate.
- ◆ Oxford Business Group estimates that about 15% of Algerian companies are engaged in a digital transformation, with between 10% and 15% of professional investments focused on IT. Digitisation is costly and will only come with the opening of the country.

Healthcare



UAE

- ◆ The UAE's healthcare market is expected to grow 8.5% annually over the next few years, propelled by a combination of population growth and investments during the post-COVID-19 era.
- ◆ From 2018 to 2022, private sector healthcare spending is forecast to increase at a cumulative annual growth rate (CAGR) of 9.5%, compared with the government contribution growth rate of 4.4%, according to KPMG.
- ◆ Dubai and Abu Dhabi were ranked 6th and 9th, respectively, in the Global Medical Tourism Index 2020-21, underscoring the strength and potential of these cities' healthcare offerings for a global market.
- ◆ An aging population, and rapid technological changes in the healthcare sector will ensure that the government continues to spend heavily in maintaining its edge as a global hub.



KSA

- ◆ The 2022 budget earmarked US\$36.8B for healthcare, 14.4% of the budget and the third largest line item to create a resilient sector.
- ◆ Post-pandemic, the kingdom is looking to develop a self-sufficient sector with investments in generic drugs, hospitals and medical equipment.
- ◆ The government is targeting the healthcare sector for privatisation.
- ◆ Vision 2030 stipulates investment of US\$65 billion to develop the healthcare infrastructure. Private sector contribution is forecast to rise to 65% by 2030 (from 40% currently), targeting the privatisation of 290 hospitals and 2,300 primary health centers.



Egypt

- ◆ Egypt is eyeing major investments in healthcare to ensure its population of 102 million, which is growing at around 2.5% annually, has adequate services.
- ◆ Egypt adopted a new constitution in 2014, which considers health as a fundamental human right to which all Egyptians should have access. Progress towards universal health coverage is motivated by the recent approval of the Social Health Insurance.
- ◆ Egypt is estimated to need around 38,000 new beds (based on the ratio 1.3 beds/1,000 population) with an estimated investment of US\$ 8 billion to US\$ 13 billion; and up to 120,000 new beds (based on the MENA ratio of 1.9 beds/1,000 population) with an estimated investment of US\$ 25 billion to US\$ 40 billion, with half of these investments coming from the public sector, according to Colliers Research.
- ◆ The Universal Health Insurance (UHI) plan, which was launched in 2018 to reform the fragmented healthcare system in Egypt, is expected to cover all governorates by 2032, and could drive further investment into the sector.



Qatar

- ◆ Qatar's healthcare expenditure is expected to rise to US\$ 6.8 billion by 2025, compared to US\$ 5.5 billion in 2020, leading to a five-year compound annual growth rate of 4.6%.
- ◆ Healthcare secured QAR 20 billion in the 2022 budget, making it the sector with the biggest allocation.
- ◆ The private healthcare market will lead growth in the sector, as it accounts for 37% of expenditure by 2030, compared to 25% in 2020.
- ◆ Qatar is pursuing various research and development initiatives, while its nascent pharmaceuticals industry is nurturing numerous start-ups and research projects.

Healthcare



Türkiye

- ◆ Turkey's population of 84 million has access to universal healthcare. Spending in the sector reached US\$ 35.6 billion in 2020, and accounted for 5% of GDP.
- ◆ The country aims to become one of the world's top 10 economies in health services by 2023, according to the [Association of Research-Based Pharmaceutical Companies](#). The Turkish medical devices market is also anticipated to grow 8.6% over the next five years.
- ◆ Turkey targets to attract 1.5 million medical tourists and US\$ 10 billion in medical tourism income in 2023, according to the [International Health Services Inc.](#)



Oman

- ◆ Healthcare, on average, accounts for 7% of the government's total expenditure and around 4% of its [GDP](#).
- ◆ There are around 1,587 healthcare institutions in the country, of which 64% are private clinics. A population growth rate of 2.6% annually means total population will soon reach 5 million.
- ◆ Post-pandemic, the Omani government is looking to build a more resilient sector. Rising investment in the public and private medical sector is evident with the launch of the Sultan Qaboos University (SQU) Cancer Centre, Hematology Centre, Ministry of Health Diabetic Centre, Oncology Centre, Hyperbaric Oxygen Therapy Centre, Cardiac Centre, Genetic Centre at The Royal Hospital, IVF Centre at Khoula Hospital, and similar centres in other governorates of Oman.



Bahrain

- ◆ Free healthcare coverage for citizens is a cornerstone of Bahrain's healthcare strategy. Its population of 1.7 million is growing at a rapid pace of 3.6%, and a [Euromonitor](#) report forecasts this to reach 2.6 million by 2030, driven by immigration.
- ◆ Healthcare accounts for 4% of GDP and is poised for growth as the kingdom creates a resilient sector in a post-pandemic age. The government's rapid response to the COVID-19 crisis highlighted the sector's strength, but also underscored the need to continue investing in it to shield the country against future health crises.
- ◆ Bahrain was one of the first countries in the world with a population of more than 1 million to hit a 50% testing rate for COVID-19.
- ◆ Launched in 2020, Bahrain Pharma's manufacturing facility is focused on vegetarian soft gel capsules and syrups as well as nutraceuticals, with total annual production capacity of 600 million soft gel capsules and 20 million syrup bottles.



Kuwait

- ◆ Kuwait's population is set to grow to 5.1 million, of which a fifth will be over the age of 50 years, requiring healthcare services. The country ranks 11th in the world for obesity, with 37% of adults in the nation being obese, and putting themselves at risk for many debilitating diseases.
- ◆ The government also approved a draft law that aims to create a compulsory health insurance scheme for expatriates and visitors.
- ◆ As many as 13 large-scale healthcare projects valued at US\$ 4.4 billion will add more than 7,000 bed capacity to the country's healthcare system, of which 1,800 are being built by the private sector.



Algeria

- ◆ Algeria has a population of around 45 million, which is growing at 1.8% per year. The country's increasingly ageing population is seeing a rise in chronic illnesses, particularly diabetes, cancers, and cardiovascular disease.
- ◆ Healthcare expenditure has made up around 6.6% of GDP in recent years.
- ◆ The sector is heavily subsidised, with the state deeply involved in the sector, but a number of private facilities have opened up in recent years.
- ◆ A health plan for 2009-2025 provides for investments of EUR 20 billion for the construction of new health facilities and the modernisation of existing hospitals.

Education



UAE

- ◆ Education accounted for 16.3% of the US\$ 16 billion federal budget in 2022. The UAE has also devised a National Strategy for Higher Education 2030, which will equip students with technical and practical skills for the labour market's future needs.
- ◆ The UAE's education market is set to grow at 5% annually over the next few years on the back of rising population, and government efforts to attract highly skilled workers and their families.
- ◆ The country's focus on honing the local population's skillsets also means growth opportunities for companies in post-secondary education, and specialised fields including STEM, business, healthcare, and services, which require trade certifications.



KSA

- ◆ Education accounted for SAR185 billion of the country's 2022 budget, or 19.4% of the total, making it the biggest budget item. The investments highlight the importance given to the sector, as the authorities look to hone the skills of the country's future labour force.
- ◆ The kingdom has around 7.7 million students enrolled, of which 87% attend public schools. Of the 30,000 schools in the country, 86% are public. But private sector schools are catching up with the number of private schools growing 13% over the past four years.
- ◆ The sector's market value is expected to grow from US\$4bn in 2017 to US\$15billion by 2030, driven by the country's increasing population, increased enrolment in private schools, and rising tuition fees, according to the government.
- ◆ The National Centre for Privatisation is aiming to privatise 60 schools in 2021 and increase private enrolment to 25% by 2030.
- ◆ Focus on education and empowerment of women will also lead to the sector's growth.



Egypt

- ◆ Egypt's growing population has put pressure on the country's educational resources, prompting the government to actively seek private sector participation to help relieve budgetary strains.
- ◆ Over the past decade, enrolment in Egypt's K-12 education system grew by 32% with a compound annual growth rate (CAGR) of 2.8%, according to [PricewaterhouseCoopers](#).
- ◆ Egypt's 2022/23 budget earmarked EGP 77.2 billion in the sector. The funds will aim to boost the pre-university education segment and reduce classroom density; create, replace, and renovate 25,000 classrooms at all educational levels; establish and develop almost 14,000 classrooms, and maintain 1,430 schools; and establish, develop, and expand 8,400 classrooms at all educational levels in 75 urban communities.



Qatar

- ◆ Qatar Vision 2030 forecasts broad investments in certification and training programmes by public and private institutions, high quality training opportunities for citizens, and incentives to enter professional and management roles in sectors like business, healthcare, and education.
- ◆ In 2022, around QAR 17.5 billion has been earmarked to the education sector, or nearly 9% of the total budget.
- ◆ Qatar's private school industry has the potential to reach QAR 8.7 billion by 2023, driven by rising school-age population, enrolment, tuition fees, as well as the shift in preference towards admission of students in private schools.

Education



Türkiye

- ◆ Around 38% of Turks are under 25, suggesting a strong need for investment in the education sector.
- ◆ Share of education in the country's GDP stood at 5.4% of total in 2020, with nearly 75% coming from government sources.
- ◆ Turkey is emerging as an international education hub, with 70 universities in the country taking in around 178,000 international students on average.
- ◆ Public expenditure on primary to tertiary educational institutions per full-time student in Turkey was US\$ 4,149 in, compared to US\$ 10,000 on average across OECD countries.



Oman

- ◆ The National Strategy for Education 2040 aims to provide support to the sector, allowing it to effectively hone the skills of Omani students for a knowledge-based economy, and equipping them with the right training to meet the demands of an evolving labour market.
- ◆ Some hard targets include raising the enrolment rates of the 18-22 age group in higher education institutions to reach 50% by 2035, and raising overall literacy rates to 100%.
- ◆ Oman currently offers private higher education establishments land plots, grants private universities 50% of their paid-up capital, and tax and customs duty exemptions of a maximum of OMR 3 million.
- ◆ Omani private K12 education market up to secondary level is expected to grow at a compound annual growth rate of 5% over the next five years.



Kuwait

- ◆ The country, which allocated US\$ 7.1 billion to education – 12.3% of total expenditure for the fiscal year 2020/2021 – is looking to attract leading global educational institutions. Universities secured US\$ 1.97 billion of the budget, while institutes and training centres will receive US\$ 1.06 billion, indicating a focus in honing youth skills.
- ◆ The government offers substantial subsidies of more than US\$ 2.64 billion, in addition to scholarships in the educational sector, making it an attractive destination for international colleges and universities.



Algeria

- ◆ Education expenditure accounted for 6.1% of GDP on average in recent years.
- ◆ With around 1 million students in pre-primary, 4.5 million in primary, 4.7 million in secondary, and more than 2.9 million in tertiary, the sector presents a slew of opportunities for private sector players focusing on Arabic and French languages.

Retail



UAE

- ◆ With its gleaming malls and unique retail offerings, the UAE is a consumer haven. The country was ranked 14th in AT Kearney's Global Retail Development Index, highlighting its continued attraction to international brands.
- ◆ The UAE led the region in household spending on e-commerce, with US\$ 2,554 on average expenditure per household, twice the global average of US\$ 1,156 and four times the regional average of US\$ 629, positioning the country as a high demand market.
- ◆ Overall, the UAE's retail market is expected to rise to US\$ 75 billion by 2025 from US\$ 55 billion in 2019, as new malls and retail offerings continue to fuel growth.



KSA

- ◆ The kingdom's population growth rate of 1.6% and GDP per capita of US\$23,586 makes it an attractive retail market.
- ◆ Focus on attracting skilled workers and international companies and rise of new cities such as NEOM would further fuel the retail sector's growth.
- ◆ Strong domestic e-commerce market and, business-friendly policies could make Saudi Arabia a regional e-commerce powerhouse. Boston Consulting Group estimates e-commerce could emerge as a SAR50-billion opportunity for retailers in Saudi Arabia.
- ◆ Related e-commerce infrastructure such as fulfilment centres, logistics hubs, digital payment and last-mile logistics are new opportunities for domestic and international players.



Egypt

- ◆ Egypt is the 7th most promising retail market in the world, according to AT Kearney's 2021 Global Retail Development Index.
- ◆ Egypt's US\$ 200 billion retail market is expected to grow at a CAGR of about 5% from 2020 to 2025, reaching about US\$ 254 billion, according to AT Kearney.
- ◆ E-commerce marketplaces such as Souq.com and Jumia are faring well as Egyptians have huge confidence in digital shopping. A 2020 survey found an increase of 78% in contactless payment users, a 44% increase in QR code users, and a 20% increase in consumers paying online through cards and e-wallets.
- ◆ International investors are eyeing Egypt's promising market, with a number of UAE retailers including Landmark, Majid Al Futtaim, Abu Dhabi's ADX ,and Lulu Hypermarket investing in the country.



Qatar

- ◆ Qatar's high per-capita income and affluent population have made it an attractive destination for many retailers looking to set up shop.
- ◆ The retail and restaurant industry is projected to post a CAGR of 6.9% in terms of revenue from 2020 to 2025, boosted by the FIFA World Cup.

Retail



Türkiye

- ◆ Turkey's retail sector is forecast to soar 12.8% between 2020 and 2025 to reach around TRY 2.3 trillion, according to [Report Buyer](#).
- ◆ Growth in the sector is expected to be across the board, including consumer electronics, home retailing, apparel, and footwear. Turkey's growing population is seen as a major factor to this expansion.
- ◆ Increased adoption of e-commerce solutions by vendors is changing consumer habits, as the market is expected to reach TRY 400 to 450 billion in 2026, making up more than 22% of the total retail sector.
- ◆ Online shopping customer base will reach 45 million in 2026 and account for 70% of the total population, according to [PwC](#).



Oman

- ◆ Oman's retail sector is expected to be an US\$ 11.3 billion industry by 2023, compared to US\$ 10.3 billion in 2018, according to [Euromonitor International](#).
- ◆ The research agency has also noted that physical retail shopping will dominate, but non-store retail, including e-commerce will rise 68% during the period.
- ◆ Last year, Oman saw the opening of Mall of Oman, the fifth and largest shopping destination in the sultanate developed by UAE-based Majid Al Futtaim. Other regional retailers are also eyeing opportunities in Oman, as an affluent population seeks more choices in brands, restaurants, and accessories.



Bahrain

- ◆ The country's retail market is set to grow 15.62% annually to reach US\$ 10 billion by 2025, as it benefits from strong domestic and regional tourism numbers, and rising population.
- ◆ Bahrain's ecommerce is expected to be valued at US\$ 2 billion by 2025, serving more than 1.1 million users.



Kuwait

- ◆ Household spending in Kuwait will expand 6.7% to US\$ 36.8 billion in 2022, a tad slower compared to 8.2% in the previous year, according to [Fitch Solutions](#). The government is also expecting consumer spending to increase this year after it announced a delay in the introduction of a 5% value added tax to 2024.
- ◆ E-commerce revenue is projected to reach US\$ 4.25 billion in 2022, with an annual growth rate of 13.33%, resulting in a projected market value of US\$ 6.19 billion by 2025.



Algeria

- ◆ Inflation rate has jumped to 7%, which would likely hurt consumer sentiment and cut into the spending power of 5.67 million households in the country.
- ◆ The launch of ecommerce websites such as Quedkniss, and arrival of a number of microentrepreneurs in the retail space have compelled the government to pass new laws to boost the development of this nascent sector.

Tourism



UAE

- ◆ The success of Dubai Expo 2020 has been transformative for the UAE. More than three in four companies, or 76.5% of Dubai-based companies reported growth, while 73.5% managed to build new business relations during the six-month-long event, according to a report commissioned by the Dubai Chamber of Commerce.
- ◆ Dubai's Tourism Strategy 2025 has set a goal to be the most visited city in the world by 2025 and attract 25 million tourists.
- ◆ New cultural and leisure projects across Abu Dhabi are set to transform the capital's tourism offerings. The city recently unveiled [Saadiyat Vision 2025](#), which aims to attract 19 million visitors and contribute AED 4.2 billion in direct tourism revenues by 2025.
- ◆ Halal, cruise, and medical tourism are some of the other segments that could drive growth in the sector.



KSA

- ◆ The kingdom is already a global tourism hub as it is home to Islam's holiest sites. The kingdom aims to expand capacity at those sites to accommodate more pilgrims annually.
- ◆ Beyond religious tourism, Saudi Arabia is leveraging its ancient history, cultural sites and natural beauty to create new tourism hubs. Developments such as NEOM and The Red Sea Project in the northwest of the kingdom are emerging as new destinations.
- ◆ The authorities are hoping to attract US\$100 billion in tourism projects by the end of the decade and expect the sector to contribute around 10% of the country's GDP by that time.
- ◆ The kingdom is aiming to attract 100 million visitors annually by 2030, from both domestic and foreign tourists.



Egypt

- ◆ With its unique attractions, Egypt's tourism industry is a magnet for travellers, contributing 9% to the national GDP and supporting 2.5 million jobs. While the sector was impacted by the pandemic, its recovery is imminent as global travel rebounds.
- ◆ The United Nations World Trade Organisation expects a major tourism boost when Egypt hosts the UN Climate Change Conference (COP27) in November this year in Sharm El Sheikh.
- ◆ The sector's GDP contribution will likely reach US\$ 23.3 billion in 2022, and rising to around US\$ 35.1 billion by 2025, according to [Data and Digital Platforms](#).
- ◆ ECO EGYPT recently launched the country's first-ever Green List (GL) to promote tourism establishments' best practices and products that contribute to environmental and cultural heritage preservation.



Qatar

- ◆ Qatar's supply of hotel keys has reached 38,674 rooms, and this is expected to increase further to 45,000 rooms by the third quarter of 2022 – in the run up to the FIFA World Cup. Over the next five years, the country is expected to reach more than 50,000 hotel keys.
- ◆ The FIFA World Cup was crucial in raising tourism's GDP contribution to 12%, and attracting around 1.5 million visitors. The tourism sector aims to attract over six million visitors a year by 2030.
- ◆ Saudi real estate developer Dar Al Arkan is planning a QAR 700 million "premium project" to develop [Qetaifan](#) Island North. The project features residential units, a waterpark, luxury hotels, retail options, and other amenities.
- ◆ The tourism projects set to be launched before the FIFA World Cup include the [Winter Wonderland](#), Fuwairit Kite Beach, The Outpost Al Barari, Qetaifan Island North, and West Bay North Beach Project.

Tourism



Türkiye

- ◆ Pre-pandemic, Turkey was the world's 6th most preferred tourist destination, hosting 51.2 million visitors in 2019, with tourism receipts of US\$ 29.8 billion.
- ◆ The United Nations World Travel Organisation (UNWTO) forecasts growth in Turkey's tourism sector to return to pre-pandemic levels at least in the next 2.5 years.
- ◆ The World Travel and Tourism Council ([WTTC](#)) expects the sector to contribute US\$ 117 billion to the Turkish economy by 2032, accounting for 11% of the country's GDP.
- ◆ Turkey's ancient and cultural heritage, and various initiatives such as winter summer and health tourism will contribute to the sector's recovery.
- ◆ Tourism development corridors, such as the Olive Corridor, Silk Road Tourism Corridor, Black Sea Tourism Corridor, and Thrace Cultural Corridor across different regions are being planned, managed, and promoted to create new destination points



Oman

- ◆ International flights at Muscat Airport surged 125% in the first six months of 2021, suggesting a strong post-pandemic [recovery](#). Passenger numbers also grew nearly 34% during the period.
- ◆ The tourism sector contributed on average 2.4% to the economy over the past three years. A pillar of the country's Oman Vision 2040, tourism is poised to account for 10% of [GDP](#).
- ◆ Revenue in Oman's travel and tourism market is expected to reach US\$ 388.50 million in 2022, and grow annually by 11.32% to reach US\$ 596.70 million by 2026, according to [Statista](#).
- ◆ [Oman 2040 Tourism Strategy](#) envisions investment of OMR 20 billion, the creation of more than half a million jobs, and the arrival of around 11.7 million tourists annually (including 5 million international tourists) within the next two decades.
- ◆ Analysts expect 11,000 new hotel keys to enter the market by 2025, and nearly 50,000 more by 2040, as the sultanate focuses on attracting tourists with its unique offerings,.



Bahrain

- ◆ The launch of Shop Bahrain, a month-long shopping festival held annually, has attracted many tourists to the kingdom. In addition, the success of projects like Avenues Mall has contributed to the demand for retail infrastructure, which are also equipped with recreational facilities.
- ◆ Authorities have earmarked around US\$ 10 billion in tourism infrastructure projects, including hotels and museums, to boost tourism.
- ◆ A 2022-26 tourism strategy aims to increase the total number of tourists to 14.1 million by 2026, average daily visitor spend to BHD 74.8, and average tourist stay to 3.5 days.
- ◆ New tourism projects under way include Mantis Hotel and Resort in the Hawar Islands, the Jumeirah Bahrain Bay Resort, the Tourist City, the Bilaj Aljazayer Beach Development, and the Saada waterfront development.



Kuwait

- ◆ Hotel revenues in Kuwait are expected to grow 7.1% annually until 2026, according to Alpen Capital.
- ◆ The travel and tourism sector is anticipated to generate US\$ 786 million of revenues in 2022, which is seen rising 10.57% annually to reach more than US\$ 1.17 billion by 2026.



Algeria

- ◆ There are around 15 new hotels, featuring 2,337 hotel rooms, under construction in Algeria, according to a new [survey](#).
- ◆ The country's Tourism Development Master Plan (SDAT 2025) and Territory Development Plan aim to make tourism an economic and job growth driver. The schemes will also pursue sustainable tourism, and promote the country's historical, cultural, and religious heritage.
- ◆ Algeria hosted over 2 million tourists annually before the pandemic.
- ◆ UAE-based hotel management company Rotana recently announced plans to enter the Algerian market with Azure Rota Resort & Spa in the port city of Oran. Set to open in 2023, the 185-room property will feature five outlets including a lobby lounge, a shisha terrace, an all-day dining restaurant, a pool bar, and a specialty restaurant.

Energy



UAE

- ◆ The UAE's Energy Strategy 2050 forecasts investments of AED 600 billion by 2050, which will expand the role of renewable and clean energy sources to 50% of the country's energy supply by 2050.
- ◆ The initiative will reduce power generation's carbon footprint by 70%, leading to savings of around AED 700 billion by 2050. It also seeks to increase consumption efficiency of individuals and corporates by 40%.
- ◆ A complementary Dubai Clean Energy Strategy aims to produce 75% of the emirate's energy requirements from clean sources by 2050. The strategy is underpinned by the Mohammed Bin Rashid Al Maktoum Solar Park, one of the world's largest generators of solar energy from a single location with a capacity to produce 5,000 megawatts (MW) by 2030 at a total investment of AED 50 billion.
- ◆ The UAE's peaceful nuclear energy strategy envisions the energy source accounting for 6% of power supply by 2050. The Barakah nuclear plant has commenced operation and, once fully operational, the plant's four units will prevent 22.4 million tonnes of carbon emissions annually



KSA

- ◆ The Saudi economy is underpinned by its world-class oil and gas sector and the related petrochemicals sector.
- ◆ As the world's largest oil exporter, the Saudi government is playing a critical role in balancing global oil markets.
- ◆ State-owned Aramco aims to raise its production capacity to 13 million by 2027 from 12 million currently, and expand gas production by more than 50% by 2030.
- ◆ Aramco is also looking to develop low-carbon fuels and solutions including hydrogen and emerge as a global leader in carbon capture, utilisation and storage sector.
- ◆ Saudi Arabia is developing a US\$5 billion green hydrogen project in collaboration with global partners at NEOM. When commissioned in 2026, it will produce 650 tons per day of hydrogen and 1.2 million tons per year of green ammonia for domestic and export use.



Egypt

- ◆ Egypt's energy sector is in the midst of rapid growth, with a number of energy sources including natural gas and renewables witnessing massive investment. Authorities expect renewables to contribute 42% to the power mix by 2035.
- ◆ Italian energy giant Eni is playing a transformative role in Egypt's natural gas resurgence. Eni is the main gas producer at the Damietta LNG plant, which restarted in 2021. The country's LNG export revenues rose by 98% to US\$ 3.89 billion in the first four months of 2022. Geopolitical changes in the global natural gas market could be a boon for Egypt.
- ◆ El Dabba nuclear power project commenced construction of the first of the four Russia-supplied nuclear reactors in 2022. The US\$ 28.75 billion project is being financed 85% by Russia and has a nameplate capacity of 4,800 megawatts (MW).
- ◆ Egypt is also looking to tap its solar and wind potential, as it attempts to boost renewable energy production to around 10,000MW within the next two years.



Qatar

- ◆ Qatar's US\$ 30 billion North Field East expansion project is being developed by a string of international partners, such as Royal Dutch Shell, TotalEnergies, Exxon Mobil Corp., ConocoPhillips, and Eni SpA. The project will feature six LNG trains, which will ramp up Qatar's liquefaction capacity from the current 77 million tonnes per annum (mtpa) to 126 mtpa by 2027.
- ◆ Rystad Energy expects Qatar's production to reach 107 mtpa by 2030, accounting for 22.5% of the so far global sanctioned supply of 476 mtpa at the end of the decade.
- ◆ QatarEnergy Renewables awarded a QAR 2.3 billion contract to Samsung C&T to build a solar power project, which will entail the construction of two solar power plants in Mesaieed Industrial City (MIC) and Ras Laffan Industrial City (RLIC). The plants will increase Qatar's renewable energy generation capacity to 1.675 gigawatts (GW) when completed by 2024.
- ◆ Qatar recently unveiled plans to reduce its greenhouse gas emissions by 25% by 2030 as part of its "Climate Change Action Plan".

Energy



Türkiye

- ◆ Turkey's renewable capacity grew by 50% over the past five years, and the country is home to the fifth highest level of new renewable capacity additions in Europe and the 15th highest in the world, according to the [International Energy Agency](#).
- ◆ With more than US\$ 50 billion investment, renewable energy capacity accounted for 52.5% of the country's total installed electricity in 2021 to reach 92,377 megawatts (MW).
- ◆ The planned commissioning of Turkey's first nuclear power facility in 2023 will further diversify the country's low-carbon fuel mix.
- ◆ The growing renewables energy sector will help reduce the country's energy imports, which last year rose to US\$ 55 billion. Turkey imported 93% of its oil, and 99% of its gas in 2019.
- ◆ A natural gas field in the Black Sea will reach production level of 15 billion cubic metres (bcm) to 20 bcm per year in 2026, helping to cut energy imports.



Oman

- ◆ Crude oil reserves in the sultanate currently stand at 5.2 billion barrels, and gas reserves at around 24 trillion cubic feet.
- ◆ Oman's efforts to boost hydrocarbon production should play an important role in reining in energy prices, and reiterate the sultanate's position as a stable oil and natural gas supplier.
- ◆ Oman has made new oil discoveries, which will raise its production by 50,000 to 100,000 barrels in the coming two to three years.
- ◆ The sultanate exported 5.9 million tonnes of liquefied natural gas in the first half of the year, compared to 5.5 million tonnes during the same period last year, contributing in stabilising a volatile natural gas market.



Bahrain

- ◆ A National Renewable Energy Action Plan sets Bahrain's renewable energy target to 5% by 2025 and 10% by 2035. The proposed renewable energy mix will feature solar, wind, and waste-to-energy technologies, and will help achieve net zero by 2060.
- ◆ A National Energy Efficiency Action Plan aims to set a national energy efficiency target of 6% by 2025 through 22 initiatives.
- ◆ The kingdom recently made a game-changing discovery of hydrocarbon deposits estimated to contain 80 billion barrels of tight oil, and between 10 and 20 trillion cubic feet of tight gas reserves in the Khalij-al-Bahrain basin, which is expected to reach production phase by 2023.
- ◆ Bahrain also aims to raise US\$1 billion of energy fund from local, regional, and international investors to develop its energy assets.



Kuwait

- ◆ Oil production is projected to rebound as OPEC+ quotas are relaxed, and returned to pre-pandemic levels in 2022.
- ◆ The Kuwait Oil Company is planning to invest around US\$ 6.1 billion over the next five years to raise production to 4 million barrels per day by 2040.
- ◆ Kuwait will require 4 billion cubic feet of natural gas per day by 2030 to meet domestic demand. The Al-Zour LNG import terminal project recently began operations to ensure a steady supply of energy for the country's growing economy. The plant has a capacity to import as much as 22 million tonnes of the super-chilled gas each year, making it easily the largest of its kind in the wider region.
- ◆ Authorities are also looking to develop a 2-gigawatt solar and wind project, in a bid to diversify the country's energy sources.



Algeria

- ◆ Algeria aims to reduce its greenhouse gas emissions by 7% by 2030.
- ◆ It ranks 10th among global natural gas producers, with 2.2% of global output. Oil output stood at 1.57 million barrels per day.
- ◆ Energy group Eni and state-owned Sonatrach signed a deal in 2022 to accelerate the development of gas fields and green hydrogen in Algeria, part of an initiative to increase the north African country's gas exports to Italy.
- ◆ The partners aim to raise gas flows in the pipeline to 9 billion cubic metres (bcm) of extra gas per year by 2023-24.
- ◆ The country's Ministry of Energy Transition and Renewable Energy is aiming to generate 15,000 megawatts (MW) from renewable sources by 2035.
- ◆ [Algeria](#), Niger, and Nigeria are looking to revive a decades-old project to pipe gas across the Sahara. The three countries have set up a task force for the project and designated an entity to update the feasibility study.

