

Greetings from Washington,

The Middle East and North Africa region stands out as one of the most digitally connected regions worldwide. On average, **88 percent** of the population in MENA is online daily, and smartphone ownership stands at an impressive **94 percent**.

In terms of digital consumption, certain MENA countries, such as Saudi Arabia, exhibit remarkable engagement, ranking **seventh** globally in social media engagement with an average of **seven accounts** per individual. The number of mobile internet users in MENA also surpassed **300 million** in 2021, with a projected penetration rate of **50 percent** of the population. The Gulf Cooperation Council Arab states have the highest concentration of mobile internet users, and data consumption across the region is anticipated to grow by **430 percent** over the next five years.

Key statistics

- GDP generated in the mobile technologies and services reached **5.4 percent** in 2021
- Number of mobile subscribers with 4G connections reached **270 million** in 2021
- Number of mobile subscribers with 5G connections projected to reach **1.6 billion** in 2025
- Total operator revenues and investment in the mobile industry expected to reach **\$6.5 billion** in 2025

Despite notable advancements in technological readiness, the MENA region still lacks behind in terms of innovation. Since 2015, innovation market growth in MENA countries has notably slowed down. Several factors contribute to the existing immaturity of the innovation market in MENA. First, the region's average investment in research and development (R&D) is relatively low, resulting in low R&D intensity, a limited number of registered patent applications, and a low rate of publishable scientific and academic journal publications. R&D intensity in MENA is estimated at **1 percent**, which significantly falls behind other regions. Saudi Arabia is the only exception, with significant growth in R&D intensity over the past decade of over **1,000 percent**. However, it is important to note that the majority of R&D spending in MENA comes from the public sector, with limited participation from the private sector.

Second, the legal framework for intellectual property in the MENA region is limited, with basic, unenforceable, patent laws. Consequently, the total number of patent applications in MENA was **36,000** in 2016, compared to **2 million** applications in East Asia.

Thirdly, the education system in the MENA region is relatively weak. Unlike regions where innovative ideas often arise from renowned research universities and medical centers, such as MIT, Harvard, Stanford, UC Berkeley, NYU, and Columbia, the MENA region has only twenty-five universities on the global list of 2005 international university rankings. Furthermore, statistics from the World Bank indicate that the percent of the population aged 25 and above with a university degree (at least bachelor's level or equivalent) is relatively low, ranging from **5 percent** in Egypt to **47 percent** in the United Arab Emirates (UAE). Here are the percentages of individuals aged 25+ with a university degree (at least bachelor's level or equivalent) from select MENA nations:


- The UAE – **47 percent**
- Saudi Arabia – **31 percent**
- Bahrain – **23 percent**
- Qatar – **19 percent**
- Kuwait – **11 percent**
- Egypt – **6 percent**

Addressing these three areas of R&D spending, education, and intellectual property can greatly benefit MENA countries to boost their digital economy and innovation ecosystems. Improved innovation and digital markets in the MENA region have the potential to boost GDP per capita by over **40 percent**, increase manufacturing revenue by **22 percent**, and expand employment opportunities by **7 percent**. Additionally, a more mature digital market in the MENA region could potentially increase female labor force participation by more than **40 percent**.

Sincerely,
Racha Helwa
Director, empowerME
Rafik Hariri Center for the Middle East
Atlantic Council

Climate Profiles Series


With COP28 being held in December of 2023 in the United Arab Emirates, the Atlantic Council's empowerME Initiative will be highlighting the dire climate situation for differing nations in the Middle East and North Africa region through our new "Climate Profiles" series.



Iraq

Iraq's climate is already experiencing the effects of climate change with rising temperatures, droughts, and severe weather events.

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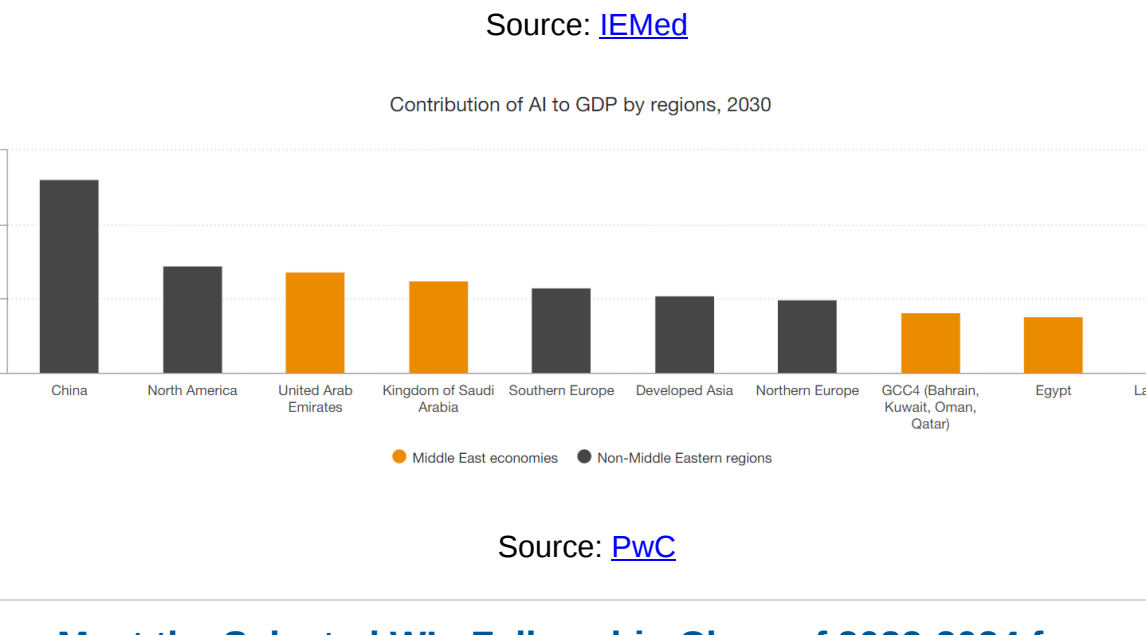
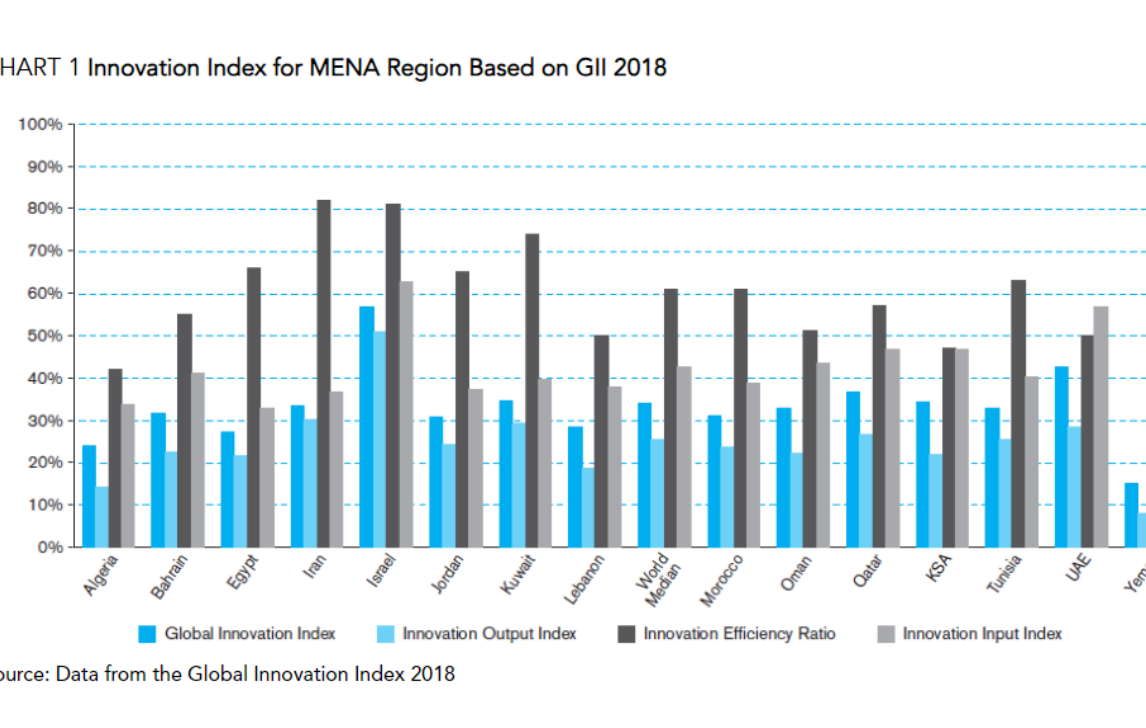
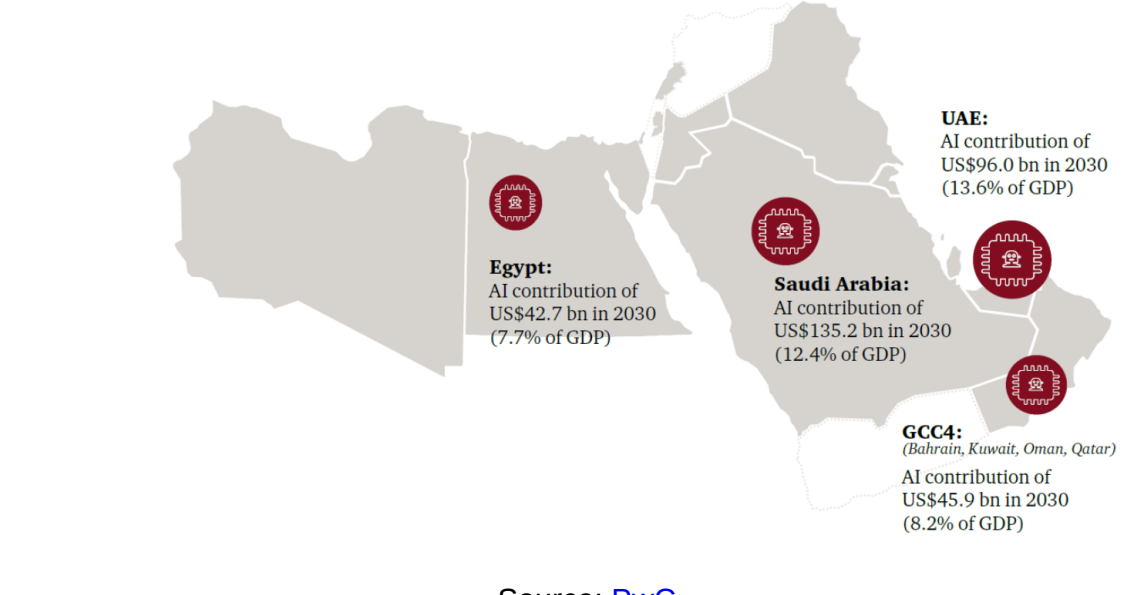
Kuwait

With extreme temperature increases and rising sea levels, Kuwait's climate crisis continues to become increasingly more concerning.

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Big Data

Which regions will gain the most from AI?




Meet the Selected Win Fellowship Class of 2023-2024 from Bahrain, KSA, and UAE

The [Women Innovators Fellowship \(WIF\)](#) is thrilled to announce this year's **eighty-six recipients** of its 2023 Win Fellowship. The participants will receive a year-long program of executive education, mentoring, and networking opportunities in collaboration with Georgetown McDonough School of Business and with the support of the United States embassies in the three target countries and PepsiCo.



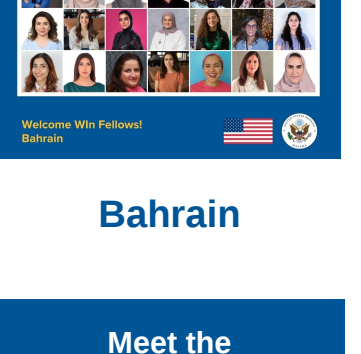
Saudi Arabia

[Meet the Fellows](#)



UAE

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Bahrain


[Meet the Fellows](#)

In Case You Missed It...

Saudi Arabia is requiring companies to establish headquarters in the kingdom. That strategy may pay off.

By Stefanie Hausheer Ali

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How the Saudi Pro League transformed from being unknown to inescapable

By Hezha Barzani

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Big Question

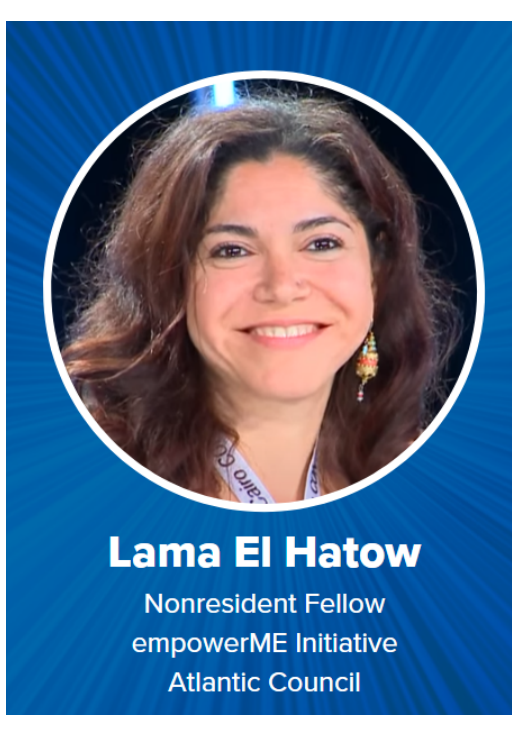
With COP28 being just six months away from now, what can MENA businesses and government leaders do to promote the sustainability agenda in the Middle East region?



Ahmed Al Qabany
Senior Climate Change Specialist
Climate Change Group
The World Bank


"Building a sustainable future demands cross-community collaboration, and COP28 is an important moment to build on the 'inclusivity agenda' that will underpin our climate action and economic development goals. As we glimpsed last year at COP27, the MENA region is a hub for global trade and gateway to the developing world, as well as a region with important perspectives from across the clean energy, industrial decarbonization, and sustainable development landscapes. Accordingly, COP28 provides the region's government and industry leaders a unique opportunity to lead by example, beginning with implementing clear and actionable decarbonization strategies for the oil and gas industry and by further diversify their economies, investing in renewable and zero-carbon energy sources that can catalyze the clean energy transition."

"With COP28 around the corner and the public attention it will get, MENA businesses and governments should focus on increasing awareness on the value that shifting to a green economy offers to the region: Between diversifying economies, improving efficiency, creating green jobs, and boosting growth, the sustainability agenda should not only be considered as a global necessity but rather as an opportunity for 'Green Growth' in the region."




Lama El Hatou
Nonresident Fellow
empowerME Initiative
Atlantic Council

"Acknowledging that collaboration between the public and private financial sector is a crucial element to scale adaptation and resilience finance, the Middle East region would benefit by strengthening dialogue processes that aim at: (1) highlighting solutions and initiatives from the private financial sector, particularly banking, institutional investors and the insurance sector; (2) fostering an active dialogue between local initiatives, country delegates, and regional private sector platforms; and (3) defining a path forward on how these private financial sector initiatives can be leveraged during regional and global events, such as the upcoming Africa Climate Week and MENA Climate Week."



Landon Derentz
Senior Director & Richard L. Murnighan Chair for Global Energy Security
Global Energy Center
Atlantic Council

"A very large part of the sustainability agenda depends on inclusivity. With the regional climate weeks beginning to happen globally including the MENA climate week, this is a great first step forward to create a platform for Civil Society Organizations (CSOs) to be engaged in the space early on before COP. But there is much more that needs to be done to ensure that all stakeholders including the most vulnerable communities, youth, women, indigenous persons, and civil society organizations have a voice that is heard, and an active role within the climate negotiations. This is where the governments and businesses of the Middle East, not just the UAE in its role as COP28 President, need to ensure that all voices are heard and no one is left behind."



Jorge Gastelumendi
Adhaneh Ashi - Rockefeller Foundation
Resilience Center
Atlantic Council

"Adaptation is becoming a critical priority for MENA - one of the most vulnerable regions to negative climate change impacts. According to IPCC, adaptation costs will rise rapidly with global warming, requiring more finance from all sources. In line with the recent UNEP Finance Initiative report, only a small number of banks in the MENA region consider instruments like NDCs or NAPs when designing their business strategy. Governments and banks can work together to bridge this divide between policy frameworks and business activities, which could result in both climate-proofing investments and providing much needed finance for adaptation, contributing to climate resilient development in the region. Multilateral climate funds can play an important role in this process by providing support to create an enabling environment to generate pipelines of transformative adaptation projects."



Alisher Mamadzhonov
Multilateral Governance Manager a.i.
Office of Governance Affairs
Green Climate Fund

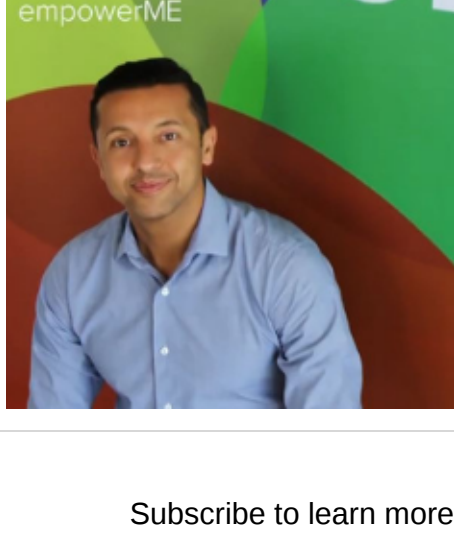
"MENA government leaders, particularly in oil-producing countries, hold the least emissive assets among fossil fuel producers. It is important for leaders to recognize that a responsible energy transition would involve decommissioning the most emissive energy assets first, with fossil fuel demand changing over time due to changes in technology and policy action, and the least emissive assets, such as in the MENA region, continuing to support hard-to-transition end-use sectors. MENA leaders can support sustainability in the Middle East by promoting initiatives that broaden understanding about a responsible sequence of fossil fuel transition in supply and demand, and advance the early retirement of highly emissive assets."



Darius Nassiry
Vice President
Climate, Resilience & Sustainability
WSP USA

Big Reads

- [Saudi Arabia launches sustainable agricultural challenge to optimize global crop yields](#) (Arab News)
- [The potential impact of AI in the Middle East](#) (PwC)
- [The competitive outlook for artificial intelligence in MENA](#) (Oxford Business Group)
- [The Mobile Economy of the Middle East & North Africa](#) (GSMA)



About empowerME

empowerME is changing the conversation about the Middle East by focusing on economic prosperity. Watch this video to learn more about empowerME and its unique chairman, regional venture capital pioneer Amjad Ahmad.

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