

Greetings from Washington,

Scheduled for March 4th, Saudi Arabia is set to host the third edition of LEAP (LEAP2024), a prominent global technology event in Riyadh, the capital city. The event anticipates the participation of over 1800 influential figures from the technology sector worldwide. The agenda of LEAP 2024 encompasses a diverse range of subjects, including Web 3, EduTech, RetailTech, FinTech, HealthTech, future energy, and smart cities.

LEAP 2024 will bring together industry giants like Google, Microsoft, Oracle, and Amazon Web Services, alongside representatives from leading corporations, startups, investors, and thought leaders. Prominent CEOs in the technology sphere slated to speak at the event include Anand Krishna, Chairman of IBM, Eric Yuan, CEO of Zoom Video Communications, and Kristono Neri, CEO of HPE.

Moreover, DeepFesa will make its comeback for its second edition during LEAP 2024, collaborating closely with the Saudi Data & AI Authority (SDAIA). Boasting more than 150 speakers and 120 exhibitors, DeepFesa sets out to challenge the frontiers of artificial intelligence (AI) and present cutting-edge developments in this domain.

The Kingdom has demonstrated a deep understanding of how to leverage digital transformation: effectively, thereby enhancing its influence. Leading this transformative journey is the Digital Government Authority (DGA), which plays a pivotal role in harmonizing the digital landscape and assisting other government bodies in the implementation, management, and regulation of digital services.

Saudi's ambitions were exemplified by the Kingdom delegators' prominent presence at Davos, showcasing Neom, a groundbreaking urban development in northwestern Saudi Arabia envisioned as part of the country's Vision 2030 strategy for economic diversification.

There are compelling reasons to believe that Saudi Arabia's aspirations to become a pivotal regional, and possibly global, hub for technology and innovation are well-founded. Firstly, major digital corporations have committed to substantial investments in the Saudi market, estimated at \$9 billion, including Microsoft's \$2.1 billion investment in a global super-scaler cloud and Oracle's \$1.5 billion allocation to establish a new AI cloud infrastructure base in Riyadh. Secondly, the Saudi government is taking significant strides to streamline technology and innovation ecosystem by augmenting public investment in research and development, fostering supportive policies for research and innovation, and cultivating a culture of digital transformation within its own ranks.

Furthermore, several highly successful Saudi tech enterprises have emerged in recent years. Notably, Saudi Vision Cable, the first high-capacity submarine cable in the Red Sea spanning 1,160,000 meters, promises seamless connectivity up to 18Tbps/second pair across four landings in Jeddah, Yanbu, Daba, and Had. Additionally, centec, a pioneering Saudi-based digital company for the Middle East and North Africa (MENA) region, serves as a crucial digital infrastructure hub encompassing data centers, submarine cables, international points of presence, and internet exchange points.

While the United Arab Emirates (UAE) has thus far led the way in the realms of technology entrepreneurship and venture capital, Saudi Arabia is swiftly catching up. It comes as no surprise that in 2023, Saudi Arabia dominated in terms of investments in startups within MENA, doubling the share of the UAE and surpassing Egypt's stake by over two and a half times. The competition among these three markets could act as a catalyst for digital transformation in the region, yielding positive spillover effects on neighboring countries.

At LEAP2024, AI emerges as a central theme, mirroring a global trend where the MENA region is no exception. According to projections by PwC, AI is anticipated to inject \$125 billion into the Saudi economy by 2030, positioning the Kingdom as the primary recipient of this technology's benefits in the Middle East region, and further solidifying Saudi Arabia's position in the global tech landscape.

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

Big Data

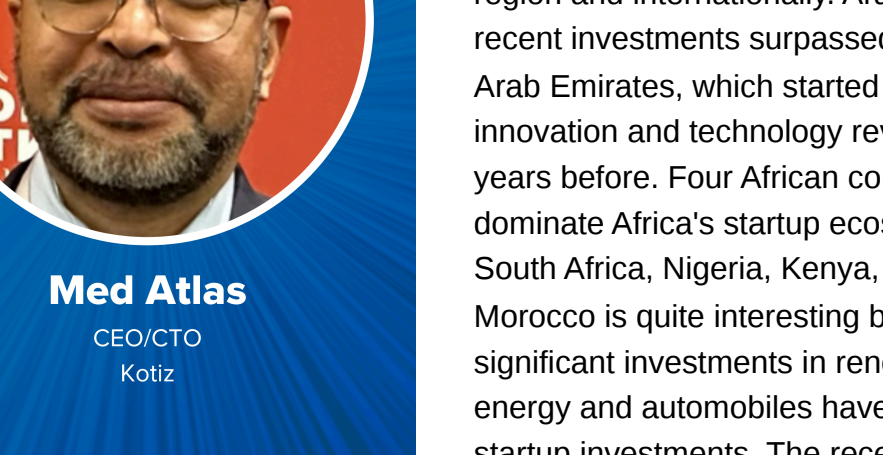
MIDDLE EAST DIGITAL ECONOMY TO GROW MORE THAN FOURFOLD BETWEEN 2022 AND 2030

Digital economy addressable market (\$bn)



Source

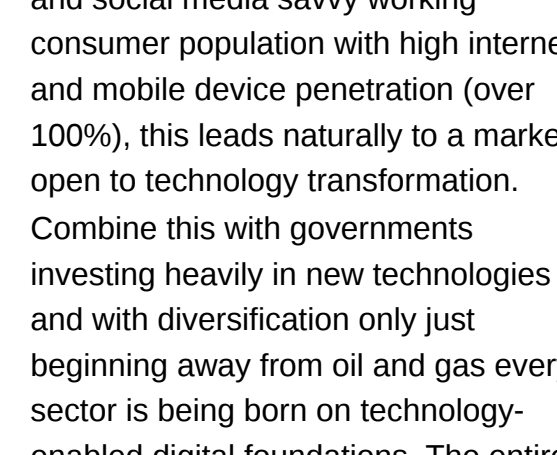
NUMBER OF INVESTMENTS, January 2024



Source

Big Question

How do you project the future of technology and innovation in MENA over the coming 10 years? Which countries and markets are expected to lead the technology transformation in the region?



Med Atlas
CEO/CTO
Kaly

"The startup ecosystem in MENA expanded quickly after COVID-19. Saudi Arabia's 2030 has put the country on top of countries that invested the most in startups and small businesses in the region and internationally. Arabia's recent investments surpassed the United Arab Emirates, which started its innovation and technology revolution years before. Four African countries dominate Africa's startup ecosystem: South Africa, Nigeria, Kenya, and Egypt. Morocco is quite interesting because significant investments in renewable energy and automobiles have shadowed startup investments. The recent \$100B UAE investment deal with Morocco is an approval of the country's ability to attract significant investments. Morocco has the unique advantage of having long industry and technology experience, excellent talents, and proximity to Europe. We will see many startups created in Casablanca and other Moroccan cities before World Cup 2030, which Morocco will host conjointly with Spain and Portugal."

"The region benefits from a young, tech and social media savvy working consumer population with high internet and mobile device penetration (over 100%), this leads naturally to a market open to technology transformation. Combine this with governments investing heavily in new technologies and with diversification only just beginning away from oil and gas every sector is being born on technology-enabled digital foundations. The entire region is moving quickly with this transformation and of course Saudi Arabia followed by the UAE lead given the size and pace of growth of local population and talent. A great most contemporary example to demonstrate this is the Ministry of Economy in the UAE's latest commitment launching an accelerator investing equity free into Emirati women (as a preference) who are starting up technology ventures. This is especially relevant given the underlying rationale is the desire to encourage these women to move into the private sector given the pace of digitization and automation of government positions. We've seen this already with DEWA and other key government institutions and corporations launching AI-led tools to take over customer service, HR, payroll, collectors and other services."

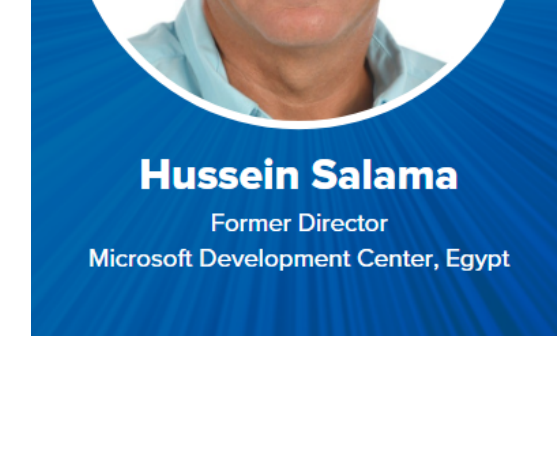


Romanna Dada
Founder, Women Collective
Founder, PIVW Ventures



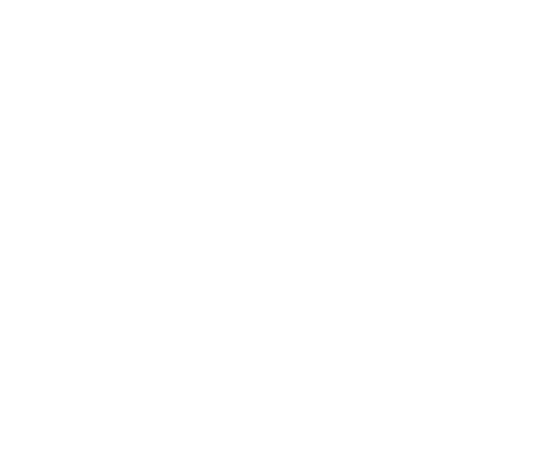
Waqas Khann
Managing Partner
VentureCoo

"Several trends have positively influenced the region's innovation landscape. First, digital Transformation is a key trend in MENA, driving governments and businesses to heavily invest in technology, in an effort to enhance production management and transparency. Second, the region has seen a rise in innovation startups and an overall improvement in the business entrepreneurship ecosystem, which created a positive momentum in the hi-tech industry. Third, the expansion of AI and data analytics businesses in the region is very promising. Both areas help enhance informed decision-making in multiple sectors of the economy. Lastly, the growth of the renewable energy market, especially using solar power, increased the demand for technology-based solutions to promote sustainability and facilitate the energy transition."



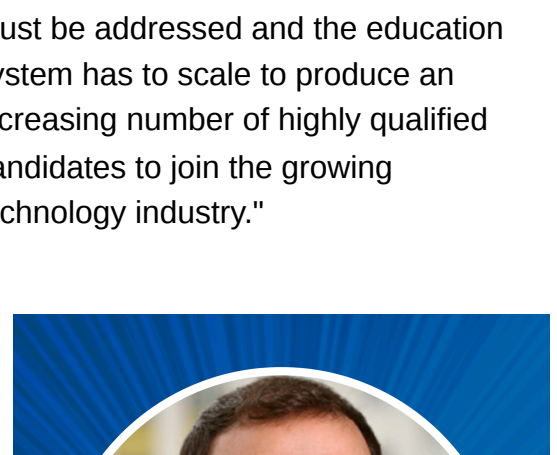
Tarek Saadawi
Professor, Industrial Engineering
The City College of New York

"Over the past two decades, the Middle East region transformed from being purely a user of technology to being a developer of technology. The main drivers are the emergence of a vibrant startup ecosystem driven by region-specific business concepts (especially in the Gulf countries) and the availability of a large talent pool (especially in Egypt and Jordan) due to well-established undergraduate education systems along with strong governmental support and the appreciation of major technology companies in Europe and North America for this highly qualified and highly motivated talent. As the engineers and scientists gain further experience over the coming years and as the academic research strengthens supported by governmental incentives (especially in the Gulf countries), we expect a few deep-tech startups and initiatives to emerge from the Middle East region in the coming decade along with stronger technology contribution to the ever-growing startup ecosystem. The high demand for software and hardware engineers and data scientists worldwide will drive global technology companies to consider establishing and expanding R&D facilities in the Middle East. For this to succeed, the brain drain of experienced top-talented individuals must be addressed and the education system has to scale to produce an increasing number of highly qualified candidates to join the growing technology industry."



Hussein Salama
Former Director
Microsoft Development Center, Egypt

"The region's digital transformation – already well underway – will be characterized by the confluence of government leadership and support, strategic human capital development, and a burgeoning startup ecosystem, setting a robust foundation for MENA to emerge as a global innovation hub. Saudi Arabia and the UAE are poised to lead in fields such as artificial intelligence, fintech, smart infrastructure, and renewable energy, fueled by strategic investments and national visions like Saudi Arabia's Vision 2030 and the UAE's Smart City initiatives. Egypt is also making its own strides as well. The principal challenge for MENA will be how to ensure these advances in technology leadership are not limited to these nations alone but create greater economic opportunity across the region more broadly."



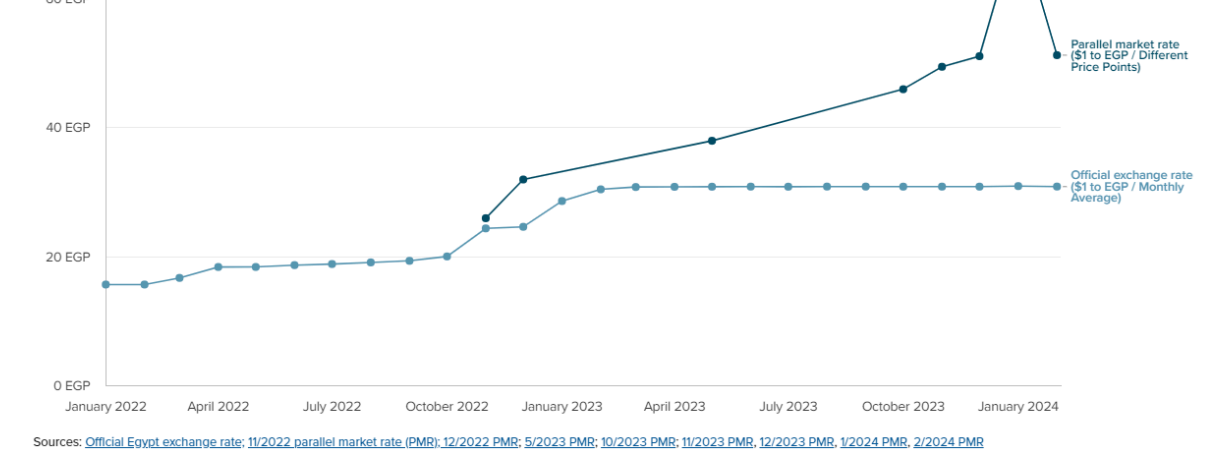
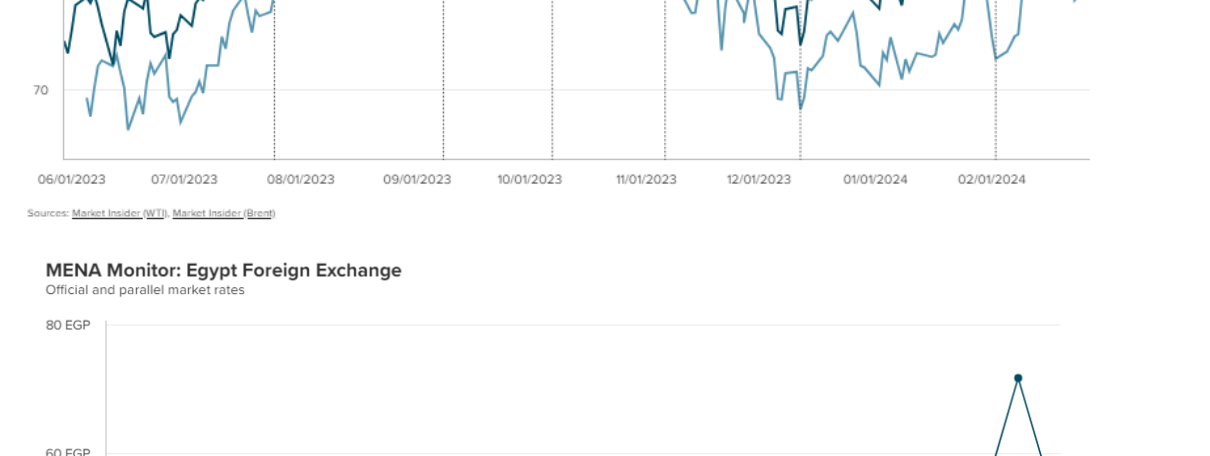
Ali Tulbah
Senior Managing Director
Middle East & North Africa Practice
M&A Associates

"The MENA region will see an influx of interest and technological resources, but the nations with the populations and workforce that are best-educated about AI, Data, and other technologies will ultimately be best positioned to capitalize on them, outperforming counterparts and unleashing innovation. This means that countries can't only think about top-down implementation but also how to design and manage systems that build trust, protect privacy, and improve people's lives. This means doing the hard work of tackling STEM education, identifying truly trusted entities to manage data, and participating in multi-stakeholder forums. Developing robust and successful AI and data ecosystems is a "marathon, not a sprint". The countries that view it accordingly will win the race in the long term."

New Tracker

MENA Monitors: Oil & Foreign Exchange

Check out our latest updates to the MENA Monitors, which tracks the fluctuations in the oil and foreign exchange markets in select MENA countries, considering the escalating geopolitical crisis in the region:



View Monitors

The MENA Economic Digest

- IMF downgrades growth projections for MENA by half a percentage point relative to the projections from October 2023 (International Monetary Fund)
- Egypt announces \$35 billion UAE investment on Mediterranean coast (Reuters)
- Saudi Sovereign Wealth Fund raised \$2 billion from second bond (Bloomberg)
- Ministers from Ministers from across the globe convened at the 13th World Trade Organization (WTO) Ministerial Conference in Abu Dhabi from Feb. 26-29, to set new rules for global commerce, including reforming the WTO's dispute system (Reuters)

New Publication



Unraveling Egypt's political economy puzzle: It's more than just economics

By Racha Helwa

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Previous Events

Win Fellowship Events



A Win Fellowship discussion on how Bahraini women entrepreneurs could scale their businesses beyond the country while attracting investments.

Watch Event



A Win Fellowship discussion on how the adoption of AI innovations into business strategies and implementations could improve the output of SMEs in the MENA region.

Watch Event



empowerME Director, Dr. Racha Helwa participated in the Atlantic Council's Second Annual Freedom and Prosperity Research Conference on Tuesday, February 27th. Dr. Helwa's panel focused on economic freedom and democracy in the Middle East and North Africa. Fast forward to 4:08:35 on the event to watch Dr. Helwa's event.

Watch Event

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