

## **Majid Al Futtaim Outlines USD 2.5 Trillion Opportunity for MENAP Region Through Greater Economic Integration**

- 'A Perspective on the Economic Potential of the MENAP Region' report launched in partnership with the World Economic Forum at Davos
- Potential for MENAP region to boost GDP by up to 50% and create 80 to 100 million jobs over the next decade
- Selective deregulation, free movement of resources and data, and common standards identified as three key levers to unlock economic growth
- The creation of a new regional Private Sector Forum will bring stakeholders together to drive greater economic integration

**Dubai, UAE January 27, 2020:** Majid Al Futtaim, the leading shopping mall, communities, retail and leisure pioneer across the Middle East, Africa and Asia, in partnership with the World Economic Forum has launched a report which outlines how the MENAP region can unlock USD 2.5 trillion in Gross Domestic Product (GDP) and create 80 to 100 million new jobs through an Economic Integration Initiative.

*Selective deregulation, free movement of resources, and common standards* have been identified as the three key levers that would stimulate inter- and intra-regional trade. *Selective deregulation* would foster a much healthier level of competition. The *free movement of resources* would include goods and services, capital, people and data and enable frictionless and tariff-free cross-border trade and mobility of production resources. *Standardised norms* would see markets operate under similar rules and make it easier for companies and start-ups to operate in multiple markets without incurring additional 'compliance' costs.

**Alain Bejjani, Chief Executive Officer at Majid Al Futtaim – Holding, said:** "The MENAP region has a huge opportunity to accelerate economic growth and unlock the potential of its people through better integration of its markets. Together with the World Economic Forum, and leveraging the analysis of McKinsey & Company as our Knowledge Partner, we believe that we must build new platforms of co-operation among stakeholders, bringing them together to define a clear path forward for the region so that it can realise its full potential economically and socially."

'A Perspective on the Economic Potential of the MENAP Region', was presented at the World Economic Forum, Davos and highlights that the development of a thriving private sector, in particular multinational private sector champions operating at scale, is essential to driving sustainable economic growth. The Economic Integration report calls for the creation of a new regional Private Sector Forum (PSF), which will be formed following the Annual Meeting of the World Economic Forum.

**H.E. Dr. Rania Al-Mashat, Egypt's Minister of International Cooperation, said:** "We are very pleased that one of the leading private sector companies in the region has taken on a proactive approach to identify policy actions required to scale up markets, foster higher economic growth, and create jobs. Partnering with the World Economic Forum provides a unique platform to leverage on global experiences to ensure the effectiveness of this initiative. At this juncture, the

role of the private sector in promoting sustainable economic growth in the region is pivotal and cannot be over emphasized.”

Speaking about the World Economic Forum’s involvement, **Mirek Dusek, Deputy Head of the Centre for Geopolitical and Regional Affairs, World Economic Forum**, said: “Our collaborative work in the Middle East and North Africa aims to unlock the full potential of talent. The way we govern technology needs to centre on helping entrepreneurs. Our hope is to help build inclusive economies and societies, uncover the region’s economic potential and create more jobs.”

When compared to global benchmarks, the MENAPs private sector is relatively underdeveloped, with few companies operating at critical scale. The World Bank’s ‘Ease of Doing Business’ global ranking shows MENAP is performing worse than other regions in six out of ten metrics: dealing with construction permits; access to credit; protecting minority investors; cross border trading; enforcing contracts; and resolving insolvency, resulting in a lower level of investment and a talent deficit.

The Majid Al Futtaim report further highlights that large companies have the potential to play a more powerful role in regional growth by lifting GDP, supporting development of small and medium-size enterprises, enhancing employment opportunities, and encouraging productivity improvements through R&D and asset investments.

Currently only two MENAP companies can be found in the Fortune 500, while the scale of even the largest companies in the region is limited when compared to Europe - in revenue, geographical footprint and other factors. For example, total market capitalisation is around ten times lower in MENAP than that of the 15 EU countries. The maturity of capital markets also remains limited within the region, signalling the substantial untapped potential for regionally-driven growth.

The report was published by Majid Al Futtaim in partnership with the *World Economic Forum* and Knowledge Partner *McKinsey & Company*.

The full report can be downloaded [here](#).

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### **About Majid Al Futtaim**

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

A remarkable business success story, Majid Al Futtaim started from one man’s vision to transform the face of shopping, entertainment and leisure to ‘create great moments for everyone, every day’. It has since grown into one of the United Arab Emirates’ most respected and successful businesses spanning 16 international markets, employing more than 44,000 people, and obtaining the highest credit rating (BBB) among privately-held corporates in the region.



Majid Al Futtaim owns and operates 27 shopping malls, 13 hotels and four mixed-use communities, with further developments underway in the region. The shopping malls portfolio includes Mall of the Emirates, Mall of Egypt, City Centre malls, My City Centre neighbourhood centres, and four community malls which are in joint venture with the Government of Sharjah. The Company is the exclusive franchisee for Carrefour in a number of markets across the Middle East, Africa and Asia, operating a portfolio of more than 300 outlets.

Majid Al Futtaim operates more than 500 VOX Cinemas screens and 37 Magic Planet family entertainment centres across the region, in addition to iconic leisure and entertainment facilities such as Ski Dubai, iFly Dubai and Ski Egypt, among others. The Company is parent to the consumer finance company 'Najm', and a Fashion and Home retail business representing international brands such as Abercrombie & Fitch, AllSaints, lululemon athletica, Crate & Barrel and Maisons du Monde. In addition, Majid Al Futtaim operates Enova, a facility and energy management company, through a joint venture operation with Veolia, a global leader in optimised environment resource management. The Company also owns the rights to The LEGO Store and American Girl in the Middle East.

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