

## Majid Al Futtaim Report Finds Greater Economic Integration Needed to Drive Next Chapter of MENAP Development

- Report reveals economic cooperation in MENAP has become a strategic imperative for prosperity and socioeconomic development
- Food security represents a priority area for the region's companies to come together and push toward meaningful progress
- Research shows most of the impact – approximately 75% - can be achieved through unilateral moves by individual countries

**Dubai, UAE & Davos, Switzerland, May 24, 2022:** 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 *The Time is Now: A Prospective on Economic Integration in MENAP*, a report outlining how the region can level up and achieve its full potential through an Economic Integration Initiative driving collaborative public and private sector progress across critical metrics.

Common standards and free flow of capital, goods and services are estimated to help unlock USD 230 billion in GDP. However, the value at stake in MENAP (Middle East, North Africa and Pakistan) is much higher. While 8.5% of the world's population live in the MENAP region, it accounts for 3.4% of global GDP. Research shows an incremental USD 2.5 trillion would need to be generated for the region to produce its fair share of GDP.

To achieve its potential, economic cooperation in MENAP has become a strategic imperative for prosperity and socioeconomic development. However, the region currently remains a collection of fragmented economies, very few of which have the scale, breadth, depth, institutional development, and regulatory environment to be considered attractive markets for investment.

**Alain Bejjani, Chief Executive Officer at Majid Al Futtaim**, said: “The last two years have thrown up incredible challenges and shown the global community the values of perseverance. In the MENAP region we still face social, economic and geopolitical headwinds.

Although the idiosyncrasies of individual markets have seen differing speeds of advancement, what unifies us is the magnitude of our region’s untapped potential. Today, as the public and private sectors reimagine their growth trajectories and adapt to reshaped priorities, we have the opportunity to take defined, aligned concrete steps towards closing a USD2.5 trillion gap in potential GDP and elevating MENAP’s contribution to the global economies.

As a first step, stakeholders must collectively establish the mechanism to drive action and set out common standards, areas of opportunity and focus. It is only with unity of resolve, bold policy moves, meaningful dialogue and purposeful private sector involvement can progress be made.”

The Majid Al Futtaim report notes today, more than ever, a fundamental policy imperative is needed due to five regional and global developments that have catapulted the region into a new economic reality. These include the pandemic, the Ukraine conflict, oil prices collapse, global supply shocks, and commodity price volatility. Further, it recommends the private sector play a



more active role in policy dialogue as part of stakeholder capitalism if the region in question is to achieve its full potential.

The economic pressure on MENAP countries for diversification further stipulates urgency for economic integration with expectations for the reform to impact the region positively. The acceleration in the global energy transition will affect the region more than most, given the traditional reliance of many of its countries on energy exports. This transition has upped the stakes for economic diversification away from oil, particularly as the cost of renewable energy is expected steadily decrease by -50% between 2022 and 2035 to equate to non-renewable sources. The case is specific to GCC countries that have been highly dependent on oil activities as a source of revenue. For example, Saudi oil revenue was down from 50% of total GDP in 2011 to 31% in 2021.

An overarching priority to unlock the economic potential of MENAP must focus on the development and retention of homegrown talent. Nurturing and upskilling future leaders was noted as a critical factor in the region's progress that represents a crucial pillar for a prosperous economic outlook. While MENAP has 8% of total world university students, it has only 1.5% of the top 500 universities, leading to many of those able to do so leaving to study abroad, and in many cases, not returning to the region. The report suggests the region should consider driving initiatives that improve domestic education opportunities and create an environment conducive to attracting and grooming top talent, from the region and globally.

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 17 international markets, employing more than 41,000 people, and obtaining the highest credit rating (BBB) among privately held corporates in the region.

Majid Al Futtaim owns and operates 29 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, Mall of Oman, City Centre malls, My City Centre neighbourhood centres, and five community malls which are in joint venture with the Government of Sharjah. The Company is the exclusive franchisee for Carrefour in over 30 markets across the Middle East, Africa and Asia, operating a portfolio of more than 400 outlets including City+, the region's first checkout-free store, and an online store.

Majid Al Futtaim operates more than 600 VOX Cinemas screens as well as a portfolio of world-class leisure and entertainment experiences across the region including Ski Dubai, Ski Egypt, Dreamscape, Magic Planet, Little Explorers and iFLY Dubai. The Company is parent to a Fashion, Home and Specialty retail business representing international brands such as Abercrombie & Fitch, Hollister, AllSaints, lululemon



athletica, Crate & Barrel, LEGO and THAT, a Majid Al Futtaim fashion concept store and app. 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.

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