

**Example of an Information Rich
PowerPoint Project**

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**Entrepreneurial
Developments in the
MENA Region**



Overview

- Intro to the MENA Region
 - Historical Developments
 - Regional Characteristics
 - Main Countries Affected by Entrepreneurship Developed
 - Significant Developments
 - Highlights of Companies/Organizations
 - Future Issues in the MENA Region



Algeria
Bahrain
Djibouti
Egypt
Iran
Iraq
Israel
Jordan
Kuwait
Lebanon
Libya
Malta
Morocco
Oman
Qatar
Saudi Arabia
Syria
Tunisia
UAE
West Bank
Gaza
Yemen

Introduction to the MENA Region

MENA is an acronym referring to the **Middle East and North Africa**.

The MENA region stretches from Morocco to Iran.



It is relatively synonymous with the term the Greater Middle East.

It carries a population of **381 million people** (6% of the world population). The vast majority of this population live in middle-income countries.

The MENA region carries 60% of the world's **oil reserves** and 45% of the world's **natural gas reserves**. 8 of the 12 OPEC nations are within the MENA region.





Historical Developments

Throughout history there has been civil instability in the area that have been extremely publicized in the media, attracting attention worldwide.



Israeli-Palestinian conflict:

Key issues revolve around borders, control of Jerusalem, Israeli settlements, and more importantly, cultural and religious interests.

Iran-Saudi Arabia proxy conflict:

Traced back to the Iranian revolution, both countries have long supported different militaries since the Cold War and, more recently, the Lebanese Civil War.

Rise in terrorism:

After the terrorist attacks of 9/11, the Bush Administration declared its War on Terror, invading Afghanistan to take down the Taliban Regime, in 2001.

U.S. Invasion of Iraq in 2003:

Carried over from the War in Afghanistan, the invasion-Operation Enduring Freedom- had the mission to *“disarm Iraq of weapons of mass destruction, to end Saddam Hussein’s support for terrorism, and to free the Iraqi people.”*

- President

George W. Bush

Rise of ISIS:

Originated from *Jama'at al-Tawhid wal-Jihad* in 1999 (ISIS since 2014) pledged allegiance to al-Qaeda. It identifies its leader, [Abu Bakr al-Baghdadi](#), as a caliphate, claiming religious, political and military authority over all [Muslims worldwide](#).

Historical Developments

Arab Spring

A revolutionary wave of violent and nonviolent protests, riots, coups, and civil wars throughout the MENA region.



"The people want to bring down the regime."

- Protesters

Iraq Civil War

Ongoing conflict, as ISIS conquered major areas in northern Iraq. The U.S., Australia, France, and the UK send essentials via airdrops and soldiers to help the Iraqi people. The world, realizing it underestimated ISIS as they use social media to generate fear.



Yemeni Civil War

Ongoing conflict as two groups want control of the government. Many organizations and countries have called for ceasefires as over 3M people have been displaced. Multiple ceasefires have since occurred with months of negotiations, but an agreement has yet to be reached.



Syrian Civil War

A multi-sided armed conflict resulting from protests calling for the removal of President Bashar al-Assad during the Arab Spring. Violent government response led to many armed groups fighting and displacing over 6M people.



Libyan Civil War

Ongoing conflict, stemming from the Arab Spring. After death of Muammar Gaddafi, government control is unclear. The economy is shook as oil industry collapsed with most of its facilities blocked or damaged by rival groups.

S.W.O.T.

*"The **Middle East and North Africa** (MENA) region is in turmoil."*



Syria, Iraq, Libya and Yemen are all in **civil war**. This has led to extreme **loss of lives and physical infrastructure**.



There is a **refugee crisis**, as 15 Million have fled to already economically-strained surrounding countries.



All Middle Eastern countries have experienced high youth unemployment. Gaza carries the **highest total unemployment rate** in the world, with GDP at 40% of its potential.

- The World Bank



Oil prices dropped below \$28 per barrel, January 2016. This was a more than 60% decrease since June 2014.

"...the scale of the oil price collapse is such that many economies are facing significant deficits which have to be financed by drawing on reserves or debt issuance."

- Giyas Gökkent
Senior Economist
Institute of International Finance

S.W.O.T.

Within the Arab countries populations, 60% of the population is under 25 years old. The **median age is 22**, compared to a global median age of 28.

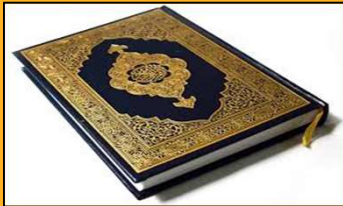
The Middle East has also sustained **remarkably high education enrollment rates**. Education is nearly universal at the primary level, following an estimated 70% enrollment at the secondary level.

Political developments seen in Jordan, Tunisia and Morocco have shown that engagement in policymaking has increased. Jordan First (below), for example, promotes the concept of a modern democratic state.



The (above) figure shows supporters of Nidaa Tounes celebrating after the first results following the second round of the country's first free presidential election on Dec. 21, 2014 in Tunis.

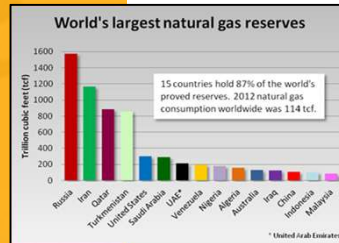
Regional Characteristics



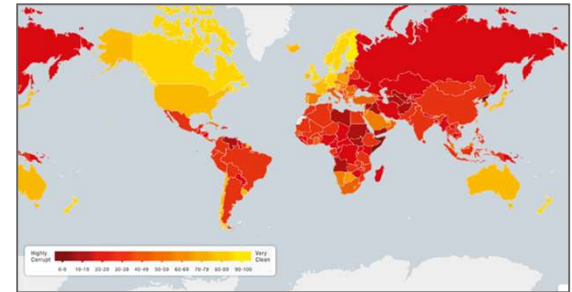
Homogenous Culture



Trade Links



Natural Resources



Corruption

Statistics		
Rank	Country	GDP Per Capita
3	United Arab Emirates	\$42,000
5	Oman	\$23,900
6	Bahrain	\$21,200
7	Saudi Arabia	\$20,400

*"After decades of corrupt and repressive rule, citizens in these states are facing **brutal and ineffective** security forces, habitually divisive and confrontational politics, and a lack of productive avenues through which to lodge their grievances and assert their rights."*

Vanessa Tucker
Director of Freedom House

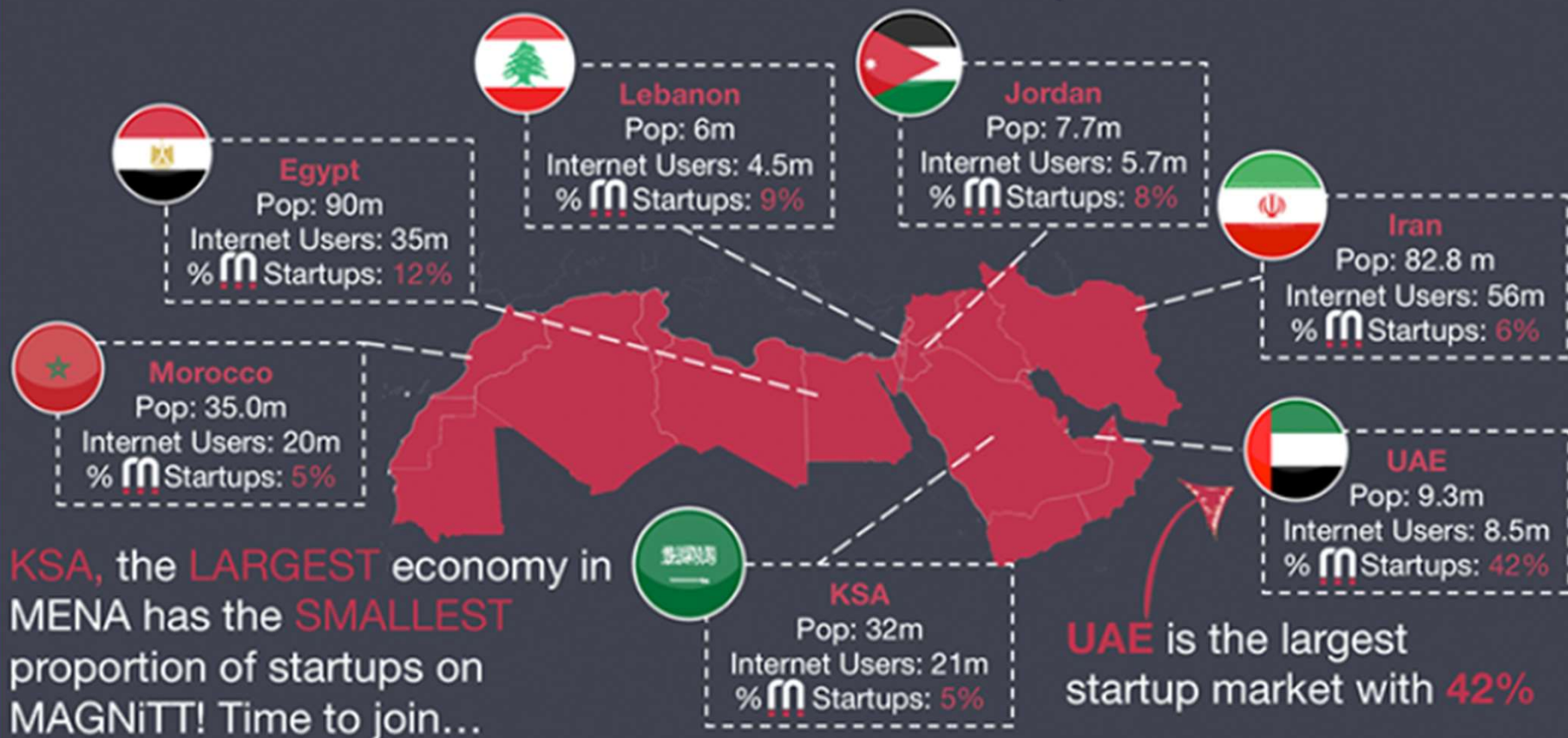


International Relations

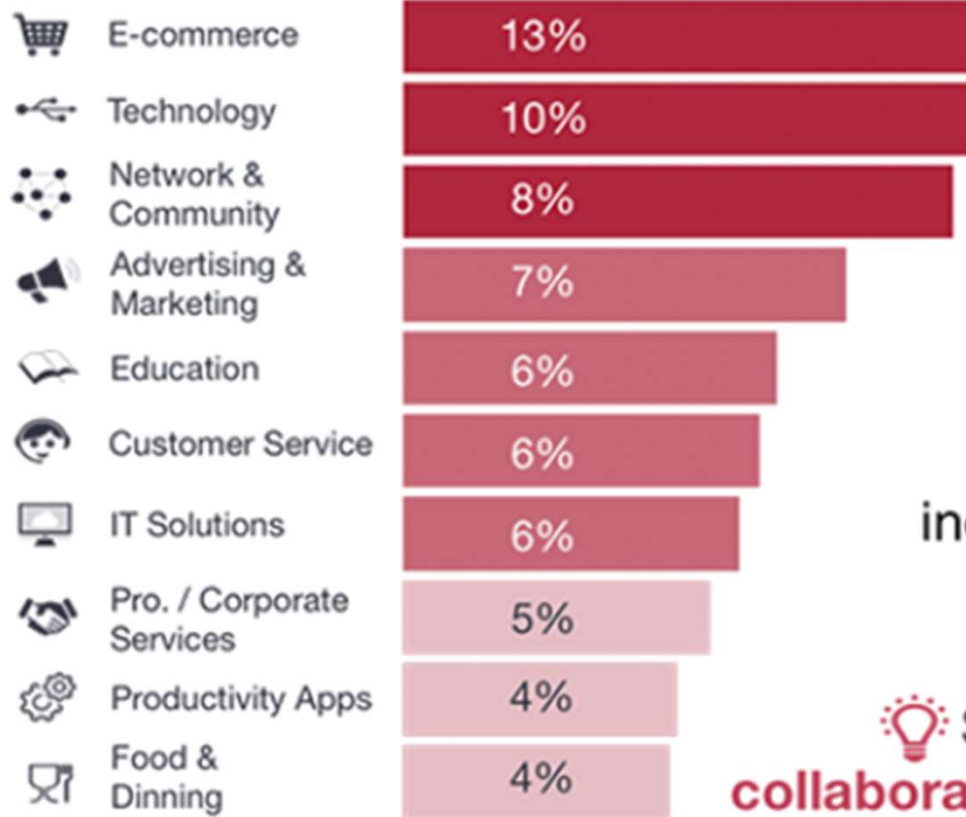


Main Countries Affected by Entrepreneurship Development

Where are the startups?



Looking to collaborate? Industry Breakdown



E-commerce is predictably the most dominant sector

FinTech is the fast growing industry in the region making up **3.5%** of startups

Startups are **ripe** for corporate **collaboration** across multiple industries

Kingdom of Saudi Arabia



- Population of 28 million
- GDP Composition:

Agriculture: 2.3%
Industry: 46%
Services: 51.8%

- Labor Force of 11.67 million
(about 80% non-national)



Saudi Arabia's Capital City of Riyadh



Pro

Huge increase in entrepreneurship and startups, many startup communities to foster new entrepreneurs. Gender inequality in labor force is disappearing.

Con

Poor economic growth due to heavy reliance on oil prices, reduced government spending and subsidy cuts.



Morocco



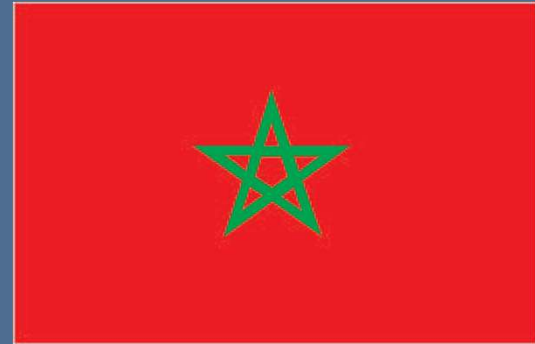
- Population of 34 million
- GDP Composition:

Agriculture: 14.5%

Industry: 29.2%

Services: 56.3%

- Labor Force: 12.04 million



Morocco's Capital City of Rabat

Pro

Universities are creating business and entrepreneurship majors, the government modernizing the administrative procedures and aspects for entrepreneurs, events and conferences are being organized and sponsored.

Con

Lack of support, experts and mentors that could support entrepreneurs



Iran



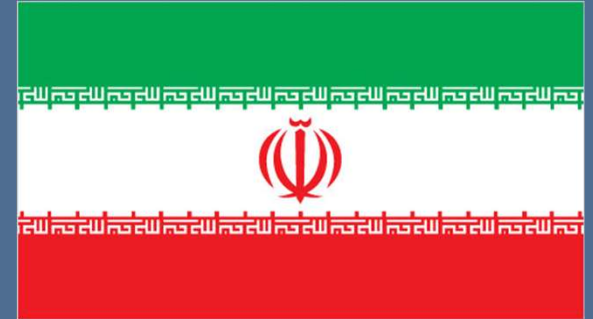
- Population of 83 million
- GDP Composition

Agriculture: 9.2%

Industry: 38.8%

Services: 51.9%

- Labor Force of 29.07



Iran's Capital City of Tehran

Pro

\$400 billion economy, second largest in the Middle East next to Saudi Arabia. Highly educated population with strength in the tech field.

Con

Lack of foreign investors, driven away by the fear of past obstacles, such as a lack of transparency and outdated legal and auditing practices. Shortage of skilled labor.



Jordan



- Population of 8 million
- GDP Composition:
 - Agriculture: 4.2%
 - Industry: 29.6%
 - Services: 66.2%

- Labor Force of 2.055 million



Jordan's Capital City of Amman

Pro
Jordan reduced its minimum capital requirement for starting a business by more than 96% in 2008.

Con
Establishing a business requires ten procedures, lack of venture capital, financial institutions are somewhat risk-averse.



Lebanon



- Population of 6 million
- GDP Composition:

Agriculture: 5.6%

Industry: 24.9%

Services: 69.5%

• Labor Force of 1.6 million



Lebanon's Capital City of Beirut



Pro

Extremely startup friendly, Central Bank of Lebanon launched an initiative to encourage commercial banks to invest in startups directly. Many entrepreneur forums such as Lebanon for Entrepreneurs and ArabNet

Con

High number of entrepreneurs



Egypt



- Population of 94 million
- GDP Composition:
 - Agriculture: 11.2%
 - Industry: 36.3%
 - Services: 52.5%
- Labor Force of 31.14 million



Egypt's capital city of Cairo

Pro

Young Tech-savvy population with increasing interest in starting their own business. Education system introducing entrepreneurship to the people.

Con

Slow and complicated business registration system, poor contract enforcement, and high taxation.



United Arab Emirates



- Population of 9 million
(only 15% are nationals)
- GDP Composition:
 - Agriculture: 0.8%
 - Industry: 46.9%
 - Services: 52.3%



UAE's Capital City of Abu Dhabi



Pro
Dubai's ruler and Vice President recently set up a \$544 million fund to help entrepreneurs. Laws are supportive of entrepreneurship. Multicultural society with countless firms.

Con
Extremely competitive environment for entrepreneurs.



Significant Developments

- Professionals believe the MENA job market is picking up **63%**
- Top Industries perceived to be employing most talent by employees are:
 - Oil and Gas **30%**
 - IT and Telecom **24%**
 - Hospitality **8%**
 - Education **8%**
 - Healthcare **7%**
- Misalignment of education and employment
- Top 6 departments with highest shortage of skills: **HR, IT, Engineering, Marketing, Sales and Finance**

Organization Highlights



SOUQ.com

Souq.com was founded in 2005 by Ronaldo Mouchawar alongside Jabbar Internet Group's Samih Toukan and Hussam Khoury. Billed as being the **'Amazon of the Middle East'**, Souq.com operates both as a retail site and as a marketplace for third party sellers.

It features more than 600,000 products and attracts over 24 million visits per month. The company now has over 2,000 employees across operations, customer service and logistics. Souq.com also emerged as the second most searched for brand in 2014 in the United Arab Emirates, according to Google.



*Ronaldo Mouchawar,
Founder of Souq.com*

On Souq.com homepage – click on 'My Account' and choose 'Sell an item'



Organization Highlights



“Women don’t need men to stand up for them. They need men to stand beside them in the **battle** against inequality”

Khalid Alkhudair
Founder & CEO of Glowork

Glowork[®]

In a society with both tradition and laws restricting women from the workplace, Khalid Al Khudair, through his company **Glowork**, has sought to connect them with jobs. The site now boasts a database of over 1.2 million Saudi women and has connected thousands with jobs.

Organization Highlights

Ralph R. Debbas founded **W Motors**, the Arab world's **first manufacturer of high performance luxury sport cars** in Lebanon in 2012, before moving the company to Dubai a year later. W Motor's first vehicle, the \$3.4 million Lykan HyperSport was the most expensive car to feature in the Fast and Furious franchise, with its appearance in the latest film.



Future of the MENA Region

- **More Political Accountability:** political competition including broad based political parties, adequate transparency, regulation of party financing, disclosure of parliamentary votes, etc.
- **Checks and Balances:** ensuring separation of powers like an independent and effective judiciary, legislative oversight via parliaments with independent oversight institutions like Supreme Audit Institutions and Anti-Corruption Agencies
- **Robust Civil Society and Media:** Freedom of expression and open media with civil society organizations monitoring public and private agencies and citizens' feedback via report cards and surveys
- **Effective Public Sector Management:** strong and results-oriented public administration, ethical leadership and safeguards concerning assets, conflict of interest rules, effective financial management, procurement, and regulatory agencies
- **Social Sector Service Delivery:** improve better service quality and delivery
- **Public Investment Management:** must be strengthened to increase execution rate of investment budgets
- **Strengthen Social Accountability:** Engage in both supply and demand to ensure that enhancing public engagements lead to long-lasting results



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