

MASHREQ GLOBAL DIGEST

MENA

January 18 – January 24

This edition of the Market Digest highlights the latest macroeconomic and financial developments across the MENA region, alongside key recent deals, offering a concise snapshot of the region's evolving economic trajectory.

Macroeconomic News

MENA Growth Set to Reach 3.6% in 2026

Economic growth in the MENA region is gaining momentum, with GDP estimated at around 3.1% in 2025 and projected to accelerate to 3.6% in 2026 and 3.9% in 2027. The recovery is led by GCC economies, supported by higher oil production, strong non-oil sector expansion, and large-scale investment programs, while oil-importing countries benefit from improving macroeconomic stability, recovering domestic demand, and gradual reform progress. However, the outlook remains subject to downside risks, including geopolitical tensions, volatile oil prices, and tighter global financial conditions, while stronger structural reforms and technology-driven investment could support faster medium-term growth.

Reference: [World Bank](#)



MENA Enters 2026 Facing Tighter Margins

According to OMFIF, the MENA region enters 2026 with stronger shock resilience but less policy space, as geopolitical risks and external uncertainty persist. Growth held up in 2025, supported by higher oil output and reform progress - particularly in GCC economies - while oil importers remain exposed to high debt, tighter financing conditions, and trade disruptions. The 2026 outlook will depend on oil price volatility, geopolitical stability affecting trade routes, and the ability of governments to translate reforms and investment into sustainable productivity gains.

Reference: [OMFIF](#)



Obesity Crisis Weighs Heavily on MENA's Economy

Obesity has become a major public-health and economic challenge across MENA, with adult obesity rates around 42% and 52 million children affected, according to UNICEF. Beyond healthcare strain, rising obesity is eroding productivity and economic output, with the UAE alone facing costs nearing \$12 billion annually, potentially reaching 5% of GDP by 2035. Governments across the region are responding with sugar taxes, food-marketing restrictions, and clinical guidelines, while the rapid uptake of weight-loss drugs highlights both the scale of the crisis and the urgency for long-term prevention and lifestyle-based solutions.

Reference: [Fast Company ME](#)

MENA CPG Market to Reach \$650B by 2030

The consumer packaged goods (CPG) market in the MENA region is projected to reach \$650 billion by 2030, growing at a 5% CAGR, driven by strong consumer demand and favorable regional fundamentals, according to Bain & Company. Growth is being led by Saudi Arabia and the UAE, supported by economic diversification, rising disposable incomes, easing inflation, and a young, urbanizing population, while Egypt currently represents the region's largest CPG market by sales. The report highlights accelerating digital adoption, evolving shopping channels, and increasingly value-driven consumers, noting that brands able to localize offerings, build trust, and execute with discipline are best positioned to capture growth opportunity.

Reference: [Arab News](#)

MENA Enters Exponential Renewable Energy Growth Phase in 2025

The MENA Energy Outlook 2026 shows that the region has entered an "exponential growth phase" in renewable energy, adding nearly 15 GW of solar and wind capacity in 2025 alone, a sharp acceleration from previous years. Total renewable project pipelines have surged to 202 GW, reflecting strong market-driven momentum supported by record-low costs. The UAE continues to lead in large-scale deployment, highlighted by a 5.2 GW solar project with 19 GWh of battery storage, while Saudi Arabia has set global benchmarks with record-low prices for solar, wind, and energy storage. Progress is also visible in hydrogen and energy storage, with flagship projects advancing and new markets such as Iraq emerging at gigawatt scale - positioning MENA as a global leader in affordable, scalable clean energy and energy security.

Reference: [Zawya](#)

Financial/Tech News

MENA IPO Market Poised for Strong Rebound in 2026

After a volatility-hit 2025, MENA equity issuances are set for a rebound in 2026, driven by a heavy pipeline of postponed IPOs and secondary offerings returning to market, according to EFG Hermes. Total equity and equity-related issuance fell 49% year-on-year to \$15.4 billion in 2025 amid fewer deals and tougher market conditions, following an exceptional 2024 marked by mega transactions such as Aramco's follow-on and major UAE and Oman IPOs. Despite the slowdown, confidence remains high as strong GCC economic fundamentals, sustained capital inflows, and high-quality issuers support expectations for a more active year ahead, with Saudi Arabia and the UAE expected to lead activity and a balanced mix of IPOs and secondary sales shaping the 2026 recovery.

Reference: [Zawya](#)



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Arab Energy Fund Wins Approval for China Panda Bonds



The Arab Energy Fund has become the first multilateral financial institution in the MENA region to secure regulatory approval to issue onshore Renminbi-denominated Panda Bonds in China, marking a significant step in cross-border capital market access. Approved by China's NAFMII, the program allows issuance of up to RMB 10 billion (around USD 1.4 billion) over two years, providing a stable source of Renminbi funding, supporting long-term capital planning, and strengthening financial cooperation between MENA and China in energy finance.

Reference: [Zawya](#)

Private Equity in MENA Bets on AI for Growth

Private equity firms across the MENA region are increasingly adopting artificial intelligence as a core driver of growth, with more than 50% of portfolios expected to integrate AI-led value creation by the end of 2026, according to Ento Capital. As access to cheap debt tightens, AI is moving beyond pilot projects to become a baseline operational tool used to boost productivity, reduce costs, and improve decision-making across portfolio companies. Supported by strong digital infrastructure, national AI strategies, and a flexible mid-market ecosystem, MENA is emerging as a region where AI is reshaping how private equity builds long-term value.



Reference: [Khaleej Times](#)

Early-Stage Startup Funding Remains Resilient Across MENA

Startup funding across the MENA region remains strong despite global economic uncertainty. In 2025, startups raised a record \$7.5 billion, up 225% year on year, with investment accelerating in the second half of the year. Saudi Arabia led the region in funding activity, alongside strong participation from the UAE and Egypt, while deals spanned sectors such as AI, agritech, and digital platforms—reinforcing MENA's position as a growing hub for scalable, technology-driven businesses with regional and global ambitions.

Reference: [Arab News](#)

Trade

MENA Looks to Türkiye for Agricultural Mechanization and Food Security Solutions

The MENA region is intensifying efforts to enhance food security, agricultural efficiency, and sustainability amid rising water stress and population growth. Konya Agriculture 2026, hosted in Türkiye's main agricultural hub, supports this shift by serving as a key platform linking global agricultural technology providers with regional demand. As one of the largest agriculture and mechanization fairs worldwide, it connects manufacturers, distributors, and policymakers, giving MENA markets access to advanced machinery, precision farming, irrigation, and sustainable solutions while facilitating trade partnerships and technology transfer aligned with long-term regional agricultural goals.

Reference: [Zawya](#)

Markets

Market Dashboard

- U.S. markets ended the week slightly lower after a volatile stretch, as weak guidance from Intel and renewed geopolitical tensions weighed on sentiment. For the week ending January 23, the Dow Jones fell 0.53%, the S&P 500 slipped 0.35%, and the Nasdaq edged down 0.06%, despite a modest rebound in the final sessions. Intel's 17% drop underscored rising investor caution around when heavy AI spending will begin to generate meaningful revenues, setting a more cautious tone ahead of major tech earnings next week. Still, confidence in the underlying strength of the U.S. economy remains intact, while the energy sector stood out as the top performer, extending its rally to more than 10% year-to-date in 2026.
- Bitcoin sentiment weakened further as U.S. spot Bitcoin ETFs recorded a fifth consecutive day of outflows, bringing total withdrawals to around \$1.72 billion over the past week. On Friday alone, ETFs saw \$103.5 million in net outflows, reflecting fading retail confidence as Bitcoin trades near \$89,000, well below the \$100,000 level last seen in November.
- Silver and gold surged to fresh records as investors piled into safe-haven assets amid geopolitical tensions and expectations of U.S. rate cuts, with silver breaking above \$100/oz for the first time and rising more than 200% over the past year, while gold climbed close to \$5,000/oz. The rally is being reinforced by tight physical supply, low liquidity, tariff concerns, and sustained demand from both private investors and central banks. Adding to the bullish outlook, Goldman Sachs raised its end-2026 gold price forecast to \$5,400/oz, citing continued diversification by the private sector and emerging-market central banks, expectations of higher Western ETF inflows, and potential rate cuts—suggesting the move in precious metals reflects not just short-term fear, but a deeper structural shift toward defensive assets.
- Oil prices rose nearly 3% as fears of supply disruptions increased. The U.S. stepped up pressure on Iran by imposing new sanctions and sending warships to the Middle East, raising concerns that oil exports from the region could be affected. At the same time, Kazakhstan's oil production remains disrupted after a major oilfield shutdown, further tightening global supply and pushing prices higher.
- The dollar edged lower as market tensions eased after President Trump dropped tariff threats and ruled out using force over Greenland, reducing demand for the safe-haven currency.

Indicators	16-Jan-26	23-Jan-26	% Change
S&P 500	6,940.01	6,915.61	-0.35%
Bitcoin	95,525.12	89,503.88	-6.30%
Gold	4,595.10	4,982.91	8.44%
Crude Oil	64.13	65.88	2.73%
EUR/USD	1.1609	1.1755	1.26%

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