Gulf Research Center
Knowledge for All

REPORT

GCC AND SWISS ECONOMIC OUTLOOK

2024

Gulf Research Center
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GCC AND SWISS

ECONOMIC OUTLOOK

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1. Introduction

The economic landscapes of the Gulf Cooperation Council (GCC) countries and Switzerland, though geographically distant, share a tapestry of unique strengths that present a compelling story of potential collaboration.

Switzerland has fostered robust economic ties with the Gulf Cooperation Council (GCC) states, solidifying relationships through Bilateral Investment Treaties (BITs) signed with five GCC nations: the United Arab Emirates (1999), Kuwait (2000), Qatar (2004), Oman (2005), and Saudi Arabia (2008). On the other hand, the Gulf Cooperation Council (GCC) states and the states of the European Free Trade Association (EFTA), of which Switzerland is a key member, established formal ties in May 2000 by signing a 'Declaration on Cooperation' which called for the launch of negotiations on a Free Trade Agreement. Saudi Arabia's accession to the World Trade Organization in December 2005 was one of the criteria that laid the groundwork for these negotiations. On June 22, 2009, the EFTA and GCC member states signed the Free Trade Agreement, allowing for significant benefits for both sides, including better access to each other's markets. The continued increasing importance of the GCC member states for trade and investment relations, as well as their dynamic and fast-growing economies, make them obvious free trade partners for Switzerland and the other EFTA states.

At the same time, the EFTA states, with their high income, highly developed economies, and large trade and investment capabilities, are attractive partners for the GCC states. Therefore, the Free Trade Agreement between the GCC and the EFTA states is the perfect instrument to ensure that the GCC states are granted equivalent preferences in the EFTA markets like those already enjoyed by the EU and the other free trade partners of the EFTA.

Switzerland's investments in the GCC span key sectors, including tourism, hospitality, healthcare, wholesale and retail trade, real estate activities, financial services, and insurance. Despite fluctuations in the past five years, notably in 2020 due to global COVID-19 restrictions, the trade relationship underscores the resilience and adaptability of the GCC-Swiss economic partnership. These bilateral agreements and trade collaborations contribute to fostering economic growth, facilitating cross-border investments and promoting diversified business opportunities between Switzerland and the dynamic economies of the GCC region.

This report embarks on a journey to explore the exciting synergies between these two regions, focusing on six key sectors that stand as focal points for significant investment and collaborative opportunities.

The report opens by illuminating the investment climate in both regions, showcasing the GCCs' ambitious diversification plans and Switzerland's well-established innovation ecosystem. It addresses potential challenges faced by each region, setting the stage for a profound exploration of opportunities across promising sectors: Real Estate, Telecommunications & Data Infrastructure, Tourism, Logistics, Cybersecurity Infrastructure, and Clean Energy.

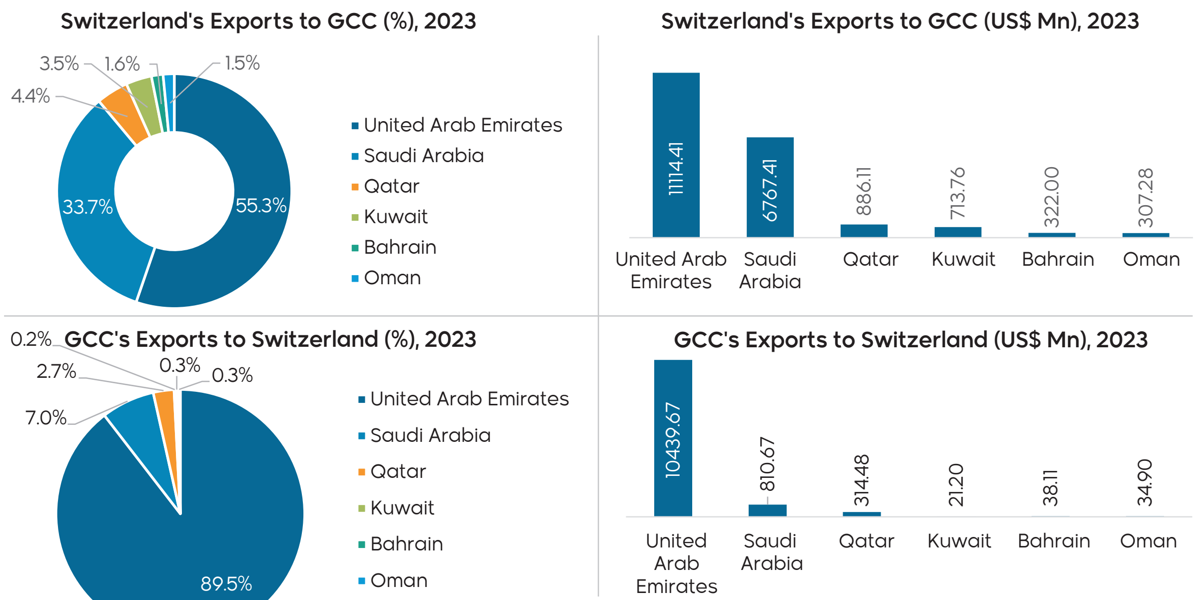
Embarking on a more profound exploration, the report meticulously examines five pivotal sectors, each representing a juncture of significant potential for collaboration between the Gulf Cooperation Council (GCC) countries and Switzerland. These focus areas, comprising Innovation, Environment & Renewable Energy, Tourism, Finance & Fintech, and Healthtech, serve as the nexus where the unique strengths and opportunities of both regions converge. This detailed scrutiny unveils the rich prospects for joint ventures, partnerships, and shared initiatives that can foster mutual growth and innovation.

Throughout each sector, the report underscores the potential partnerships between GCC countries and Switzerland, outlining areas for collaboration, knowledge sharing, and joint ventures.

The report culminates by emphasizing the shared benefits of deeper GCC-Switzerland cooperation. It highlights the potential for increased investment, knowledge transfer, technological advancements, and economic growth for both regions. By embracing innovation, sustainability, and collaborative partnerships, GCC countries and Switzerland can collectively build a resilient and prosperous future together. This report envisions a narrative of mutual growth, where the unique strengths of each region weave together to create a tapestry of shared success.

1.1 GCC and Switzerland Trade Statistics

Figure 1. Trade Statistics, 2023



Source: UNCTAD

2. Executive Summary

2.1 Overview

Switzerland has fostered robust economic ties with the Gulf Cooperation Council (GCC) states, solidifying relationships through Bilateral Investment Treaties (BITs) signed with five GCC nations: the United Arab Emirates (1999), Kuwait (2000), Qatar (2004), Oman (2005), and Saudi Arabia (2008). In 2023, the trade volume between Switzerland and the GCC countries reached a substantial US$ 31.77 billion.

Switzerland's investments in the GCC span key sectors, including tourism, hospitality, healthcare, wholesale and retail trade, real estate activities, financial services, and insurance. Despite fluctuations in the past five years, notably in 2020 due to global COVID-19 restrictions, the trade relationship underscores the resilience and adaptability of the GCC-Swiss economic partnership.

These bilateral agreements and trade collaborations contribute to fostering economic growth, facilitating cross-border investments, and promoting diversified business opportunities between Switzerland and the dynamic economies of the GCC region.

2.2 Switzerland

Switzerland, positioned at the heart of Europe, is renowned for its robust economy and political stability. The country has increasingly played a vital role in promoting democratic institutions and values worldwide while also providing essential humanitarian and economic development aid. As a member of the European Free Trade Association (EFTA), Switzerland serves as a significant market for exporters and investors from various countries. The nation warmly welcomes foreign investment, ensuring fair treatment and eliminating any trade barriers.

The Swiss public administration has gained global recognition for its high output efficiency, earning the highest public confidence among all national governments in the Organization for Economic Co-operation and Development (OECD). Switzerland has attracted substantial investments in key sectors such as information technology, precision engineering, scientific instruments, pharmaceuticals, medical technology, and machine building. Additionally, the country boasts a thriving startup ecosystem. In August 2021, the implementation of the "Blockchain Act" further bolstered Switzerland's already substantial ecosystem for companies specializing in blockchain and distributed ledger technologies.

Switzerland is welcoming to international investors, with a positive overall investment climate. The Swiss federal government enacts laws and regulations governing corporate structure, the financial system, and immigration, and concludes international trade and investment treaties.Key sectors that have attracted significant investments in Switzerland include information technology, precision engineering, scientific instruments, pharmaceuticals, medical technology, and machine building. Furthermore, the Swiss agricultural sector remains protected and receives significant subsidies to ensure its stability and growth.

Switzerland also holds a unique position as a test market for cutting-edge, high-tech, and consumer products. It serves as a strategic gateway to European Union markets, providing valuable opportunities for businesses. In terms of research and development (R&D), Switzerland ranks among the top countries globally. The nation offers immense potential for partnerships in various sectors, including biotechnology, medical technology, nanotechnology, cleantech, and renewable energy.

Switzerland's financial landscape is also noteworthy, with substantial assets managed from around the world. This, coupled with the country's expertise and talent in financial technology (fintech), makes it an attractive destination for GCC's financial service providers seeking new opportunities and collaborations.

2.3 Gulf Cooperation Council (GCC)

GCC is a regional organization of six countries, namely Saudi Arabia, United Arab Emirates (UAE), Qatar, Kuwait, Oman, and Bahrain, set up in 1981. The alliance was formed to enhance its members' integration, coordination, and interconnection. GCC comprises of some of the fastest growing economies in the world, mainly due to an increase in oil and natural gas revenues coupled with a building and investment boom backed by reserves etc. Most of these economies which were affected during the recent pandemic downturn have now recovered and growing at fast pace again. The GCC countries such as Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and UAE, are moving ahead with their economic integration efforts and offer tremendous potential for cooperation in trade, investment, energy, etc

Additionally, Oman adopted the VAT in April 2021, emerging as the fourth country after Saudi Arabia, the UAE, and Bahrain to implement the harmonized rate of 5%, agreed upon by the GCC in 2016. GCC economies strive to promote manufacturing, export, and logistics industries in a bid to develop more flexible, knowledge-based economies. Some of the initiatives to promote industrial growth in each country are as follows:

2.3.1 Saudi Arabia

- Incentives for relocating regional headquarters to Riyadh
- Custom duty drawback and exemption on selected items
- No personal income taxes
- Corporate tax rate of 20% on the profit of foreign companies
- FZs have a special legislative environment and attractive incentives
- Incentives for commercial investment in industrial cities
- Others: Tax holidays, low-cost loans, customs exemptions, and favorable land & utility rates

2.3.2 Qatar

- Exemptions from certain land-use benefits and customs duties
- Government's US$ 20 billion economic spending plans on the non-oil sector
- No personal income tax
- Exemption of corporate tax, levied at 10%, for up to 10 years
- Foreign ownership is allowed up to 100%, and no limit on repatriation
- Customs duties exemption on imports of necessary equipment and machinery
- Customs duties exemption for imports of raw materials and half-finished goods, not available locally
- Special incentives for businesses in FZs

2.3.3 Kuwait

- Exemption of corporate tax, levied at 15%, for up to 10 years
- Aids in land and real estate allocations
- Others: customs duties relief, tax benefits, and permission to recruit foreign employees

2.3.4 UAE

- 100% repatriation of multi-year leases and capital
- Low restrictions on labor movement into the country
- Low entry barriers and easy access to infrastructure
- Subsidized energy connections
- FZs offer 100% exemptions on import and export tax and commercial levies
- Assistance for recruitment of labor

2.3.5 Oman

- Competitive lease rates for certain areas and companies
- Reduced utility rates
- No capital gains tax
- No tax on personal income
- Corporate earnings are taxed at 15%
- Labor and employment incentives for qualifying companies

2.3.6 Bahrain

- Assistance for opening and registration of business operations
- Financial grants
- Exemptions on raw material and equipment import
- Duty-free access of products manufactured in Bahrain to markets of other GCC countries

3. Country Information

3.1 Saudi Arabia

3.1.1 General Information

Nestled in the heart of the Middle East, Saudi Arabia is a dynamic nexus of tradition and modernity. Central to Islam, the kingdom wields significant economic influence, driven by the world's Third-largest oil reserves and strategic geopolitical ties. Beyond oil, Saudi Arabia boasts diverse resources like natural gas, iron ore, gold, and copper, showcasing its economic versatility. Leading in desalination technology, the nation addresses water scarcity with innovative solutions.

A US$ 70 billion investment in six "Economic Cities" underscores Saudi Arabia's commitment to economic diversification and innovation, marking a strategic shift away from oil dependence. Positioned at the crossroads of the Arabian Peninsula, the kingdom's landscape encompasses vast deserts and rugged mountains along with vital agricultural hubs like the Qatif and Hofuf oases. This dynamic tapestry invites exploration through bustling souks, serene landscapes, and the harmonious coexistence of heritage and progress.

In recent years, the strong reform drive of Saudi Arabia has begun to provide structural benefits to its economy, as well as fiscal and debt management profits. This reform drive includes steps to stimulate non-oil economic growth and broaden the non-oil tax base, as well as offer major social liberalization to encourage consumer demand. Furthermore, the economy continues to profit from the country's leadership as the world's largest individual oil exporter. In 2022, Saudi Arabia registered the fastest expansion in GDP in the G20. Overall growth was 8.7%, reflecting both strong oil production and a 4.8% increase in non-oil GDP due to strong private consumption of oil and private investment in non-oil projects, including mega projects. The production of non-oil was mostly driven by the wholesale and retail commerce, construction, and transportation industries.

A few of the primary areas on which the government is focusing its diversification efforts include the development of the natural gas sector (primarily for domestic power production and as a feedstock for the increasing petrochemicals industry), as well as blue and green hydrogen. Logistics, mining, tourism, entertainment, housing, manufacturing (including petrochemicals, defense, and aerospace), and renewables are included among these industries. The government also intends to establish a financial center similar to others already in place in the region, such as Dubai, and to expand its retail business.

3.1.2 Economy Overview

Saudi Arabia

Capital: Riyadh

AREA
2,149,690.0 (sq.km)

GDP:
US$ **1,069.44** Billion (2023)

GDP Per Capita:
US$ **32,586.17** (2023)

Population:
32.82 Million (2023)

Unemployment Rate:
5.6% (2022)

Current Account Balance:
US$ **63.59** Billion (2023)

Inflation
2.5% (2023)

Total Export of Goods:
US$ **322.25** Billion (2023)

Total Import of Goods:
US$ **211.02** Billion (2023)

Source: IMF – World Economic Outlook Database

3.1.3 Vision

The Kingdom of Saudi Arabia is blessed with many rich assets. Their geographic, cultural, social, demographic, and economic advantages have enabled them to take a leading position in the world. Saudi Arabia's vision for 2030 is to make the country strong, thriving, and stable that provides opportunity for all. Saudi Arabia's vision for 2030 is based on three pillars: the heart of the Arab and Islamic worlds, the investment powerhouse, and the hub connecting three continents-Asia, Europe, and Africa.

- This first pillar aims to achieve the vision and a strong foundation for economic prosperity. The country believes in the importance of a vibrant society. Members of this society live in accordance with the Islamic principle of moderation, are proud of their national identity and their ancient cultural heritage, enjoy a good life in a beautiful environment, are protected by caring families, and are supported by an empowering social and health care system.
- The second pillar provides opportunities for all by building an education system aligned with market needs and creating economic opportunities for the entrepreneur, the small enterprise as well as the large corporation. Hence, the country will develop its investment tools to unlock promising economic sectors, diversify its economy, and create job opportunities. Improve the quality of their services by privatizing some government services, improving the business environment, attracting the finest talent and the best investments globally, and leveraging their unique strategic location in connecting three continents.
- The third pillar is to build on an effective, transparent, accountable, enabling, and high-performing government. The country will also prepare the right environment for their citizens, private sector, and non-profit sector to take their responsibilities and take the initiative in facing challenges and seizing opportunities.

The UAE 2031 vision seeks to consolidate its position as one of the world's most secure and safe countries, with the best social, food, water, and digital security. To achieve this vision, the UAE secured 25 new partnerships in September 2023. These partnerships are aimed at supporting the top 100 emerging companies that play a vital role in bolstering the competitiveness of the UAE's future economy sectors. These newly established partnerships are poised to achieve the initiative's objectives, including enhancing readiness for the future and solidifying the UAE's status as a hub for new economy companies.

3.1.4 Rules and Regulations

Saudi Arabia is the biggest economy and market in the GCC. Politically, Saudi Arabia has a stable environment and business activity is also strong. The Companies Law and the Commercial Registration Law primarily govern Saudi Arabian corporate laws. These laws outline the requirements for the registration and operation of businesses within the Kingdom and their compliance obligations.

The Commercial Registration Law in Saudi Arabia encompasses a collection of legal regulations governing the incorporation and issuance of commercial registrations for businesses. The law outlines the procedures for their issuance, restrictions, and corresponding processes.

The Companies Law and its executive regulations came into force on January 19, 2023, with the aim of creating a regulatory environment that stimulates investment and supports economic development. It serves as a foundation for the development of the commercial system, focusing on protecting companies and empowering the private sector to contribute to achieving the goals of the Kingdom's Vision 2030.

Moreover, the Civil Transactions Law, enacted on December 16, 2023, marks a significant shift in the legal framework governing civil contracts and business transactions in the country.

3.1.5 Investments

Owing to its abundant natural resources and strategic location at the intersection of three continents, Saudi Arabia stands out as a distinctive and unparalleled destination for lucrative yet untapped business opportunities.

The successful implementation of various economic reforms under the Kingdom's Vision 2030 has effectively cultivated new business prospects, enhanced the Kingdom's fundamental strategic assets, fostered economic expansion, and diversified investment avenues.

Foreign Direct Investment	2020	2021	2022
FDI Inward Flow (US$ Million)	5399	19286	7886
FDI Stock (US$ Million)	241775	261061	268947
Number of Greenfield Investments*	90	150	239
Value of Greenfield Investments (US$ Million)	9431	8958	13473

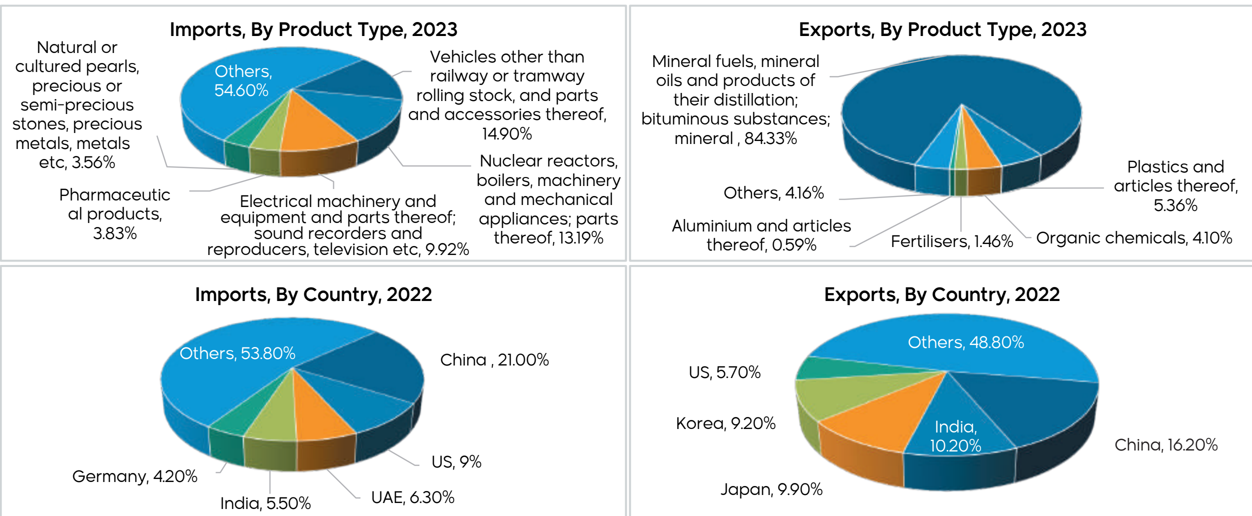
Source: UNCTAD,

*Note: * Greenfield Investments are a form of FDI where a parent company starts a new venture in a foreign country by constructing new operational facilities from the ground up.*

3.1.6 Trade

Saudi Arabia is a member of the GCC, owing to which the nation enjoys special trade and investment privileges within GCC countries. The GCC established a Customs Union on January 1, 2003, ensuring the unrestricted movement of local goods among member states. However, in 2021, Saudi Arabia revised its import regulations from other GCC countries, excluding goods manufactured in free zones. According to the ministerial decree in the Saudi official gazette, all goods made in free zones in the GCC region will no longer be considered locally made. Additionally, Saudi Arabia is a member of the League of Arab States, which has committed to negotiating an Arab Free Trade Zone.

Figure 2. Saudi Arabia Import and Export



Source: International Trade Centre

3.1.7 Others

Saudi Arabia, is actively pursuing socio-economic reforms called "Vision 2030." This vision aims to diversify the economy, reduce dependence on oil, and create more job opportunities for the young and growing population. To facilitate investment and development, the Saudi Arabian government (SAG) has taken several steps. Some are as follows:

- IThe SAG has introduced the Shareek program, which aims to generate US$ 3.2 trillion of domestic investment from the SAG, the sovereign wealth Public Investment Fund, and the private sector. Additionally, the Saudi Authority for Intellectual Property (SAIP) has been established to improve intellectual property rights protection, enforcement, and awareness.

- The SAG is actively promoting interconnectivity and economic integration with other GCC countries through the establishment of new business partnerships and the improvement of transportation infrastructure. Notably, the US$ 23 billion Riyadh metro project is expected to support this goal.

- On the social front, the SAG has implemented reforms such as the removal of guardianship laws and travel restrictions for adult women, workplace protections, and judicial reforms to promote gender equality and increase women's participation in the labor force.

- To stimulate tourism investment and boost the sector's contribution to GDP, the SAG is seeking private investments through the Tourist Investment Fund, which has an initial capital of US$ 4 billion. The Kafalah program also provides loan guarantees of up to US$ 400 million. Additionally, the Tourism Fund has signed MOUs with local banks to finance projects valued up to US$ 40 billion.

- In summary, the Saudi Arabian government is actively pursuing ambitious socio-economic reforms under Vision 2030. These reforms aim to diversify the economy, attract domestic and foreign investment, improve intellectual property rights protection, enhance interconnectivity with other GCC countries, and promote gender equality and women's participation in the labor force.

3.2 UAE

3.2.1 General Information

The UAE, a dynamic economic force, has evolved from an oil-dependent economy to a global hub for trade and innovation. Comprising seven emirates, including Dubai and Abu Dhabi, it strategically stands as a crossroads for international business. Dubai's rebranding and tourism investments, alongside Abu Dhabi's strategic use of oil wealth, drive economic growth.

The UAE's 2071 Vision prioritizes knowledge-based industries for economic diversification. With 50 initiatives aiming for competitiveness and US$ 150 billion in FDI, Abu Dhabi invests in aerospace, nuclear power, defense, IT, and clean tech. Simultaneously, Dubai leverages its geographical advantage in exhibitions, ICT, re-export, and finance. The UAE, with a population of 9.4 million and an 88% expatriate workforce in 2023, borders Oman and Saudi Arabia and was established as a federation in December 1971.

In recent years, the UAE has shown robust economic growth owing to a strong comeback by the tourism and construction sectors. Activities such as the Dubai World Expo and increased oil output with the Organization of the Petroleum Exporting Countries (OPEC)+ production agreements have also contributed to the economic proliferation of the country. Furthermore, the UAE is implementing reform agenda, and the Central Bank of the UAE is making efforts to increase the stability, efficiency, and resilience of the financial system.

The UAE continues to be the commercial, financial, and tourism center of the GCC owing to progress in economic diversification efforts, coupled with a decrease in reliance on hydrocarbons. The extraction of hydrocarbons has been a primary source of income for the government for years. The country has taken steps to diversify public revenues with the introduction of value-added tax (VAT) and corporate income tax (more recent), and the solutions for roadblocks in the fee structure. Relaxations in social and cultural laws in November 2020, and new residency regulations constitute further efforts to increase equal market opportunities for residents and foreigners.

3.2.2 Economy Overview

UAE

Capital: Abu Dhabi

AREA
71,023.6 (sq.km)

GDP:
US$ **509.18** Billion (2023)

GDP Per Capita:
US$ **50,602.33** (2023)

Population:
10.06 Million (2023)

Unemployment Rate:
2.8% (2022)

Current Account Balance:
US$ **41.57** Billion (2023)

Inflation
3.1% (2023)

Total Export of Goods:
US$ **487.77** Billion (2023)

Total Import of Goods:
US$ **448.68** Billion (2023)

Source: IMF – World Economic Outlook Database

3.2.3 Vision

The UAE 2031 vision represents a national plan through which the UAE will continue its development path for the next 10 years, with a focus on social, economic, investment, and development aspects. The plan seeks to enhance the position of the UAE as a global partner and an attractive and influential economic hub. The vision is based on four pillars, which cover all sectors, including the society, economy, diplomacy and ecosystem:

Forward Society:

This pillar aims to achieve the prosperity of society by enhancing the capabilities of the citizens to maximize their effective contribution in all sectors

Forward Economy:

This pillar aims to reflect the UAE's belief in the importance of human capital as the main driver of the next 10-year development plan

Forward Diplomacy:

This pillar aims to consolidate the pivotal role and influence of the UAE based on respect for human values

Forward Ecosystem:

This pillar aims to enhance the government's performance and the UAE's infrastructure and its development according to the latest technological methods, including the development of digital infrastructure.

The UAE 2031 vision seeks to consolidate its position as one of the world's most secure and safe countries, with the best social, food, water, and digital security. To achieve this vision, the UAE secured 25 new partnerships in September 2023. These partnerships are aimed at supporting the top 100 emerging companies that play a vital role in bolstering the competitiveness of the UAE's future economy sectors. These newly established partnerships are poised to achieve the initiative's objectives, including enhancing readiness for the future and solidifying the UAE's status as a hub for new economy companies.

3.2.4 Rules and Regulations

Regulatory compliance is a critical aspect of operating a business in the UAE. The UAE has a robust legal framework that governs various aspects of business operations to ensure transparency, accountability, and ethical conduct. Some of the key laws and regulations that businesses need to comply with includes:

Commercial Companies Law: The UAE Federal Decree-Law No. 32 of 2021 on Commercial Companies governs the formation, management, and dissolution of companies in the UAE. It sets various legal requirements that businesses must adhere to, covering aspects such as company registration, ownership structures, governance practices, and reporting obligations for businesses operating in the country.

Labor Law: The UAE Federal Decree-Law No. 33 of 2022 covers aspects such as employment contracts, working hours, wages, leave entitlements, termination procedures, and employee rights. Compliance with labor law is essential to ensure fair treatment of employees and maintain a harmonious work environment.

Taxation Laws: The UAE has implemented various laws, including Federal Decree-Law No. 8 of 2017, amended by Federal Decree-Law No. 18 of 2022 on Value Added Tax (VAT Law), and Federal Decree-Law No. 47 of 2022 as amended by Federal Decree-Law No.60 of 2023 on the taxation of corporations and businesses.

Intellectual Property Laws: The UAE Federal Law No. 36 of 2021 on trademarks and Federal Decree-Law No. 38 of 2021 on copyrights and neighboring rights safeguard intellectual property rights, and businesses must comply with registration requirements, respect the rights of others, and prevent infringement of intellectual property assets.

Data Protection Regulations: The Federal Decree-Law No. 45 of 2021 on the protection of personal data (Data Protection Code), Dubai Data Law, and the Abu Dhabi Global Market Data Protection Regulations set out requirements for data handling, security measures, and data transfer restrictions.

3.2.5 Investments

The United Nations Conference on Trade and Development (UNCTAD) reports that the UAE is party to 110 bilateral investment treaties, with 62 currently in force, 46 being signed agreements, and two having been terminated. The UAE with its robust economy and diverse investment landscape, offers investors a wide range of investments. Foreign investors are increasing their investment in businesses based in the UAE.

The emirate of Dubai in particular is very investor-friendly, as it is not directly dependent on the oil sector and the local market is highly diversified. New visa facilitations and the new investment law show the government's efforts to attract new investors to the country and the market in the future and make it easier for them to enter the market.

Foreign Direct Investment	2020	2021	2022
FDI Inward Flow (US$ Million)	19884	20667	22737
FDI Stock (US$ Million)	150896	171563	194300
Number of Greenfield Investments*	389	541	997
Value of Greenfield Investments (US$ Million)	8069	6631	11086

Source: UNCTAD,

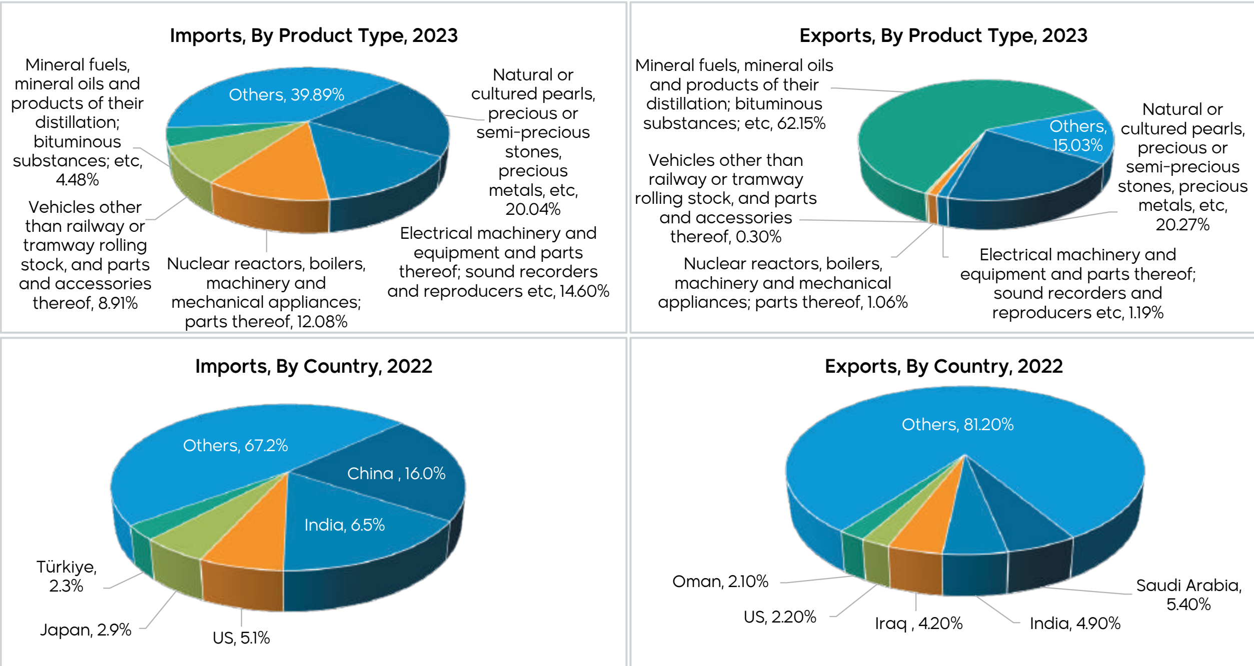
*Note: * Greenfield Investments are a form of FDI where a parent company starts a new venture in a foreign country by constructing new operational facilities from the ground up.*

3.2.6 Trade

The UAE's interest in international business and strategic positioning as a regional gateway create business opportunities and make the UAE an attractive market for exporters. With over 100 new projects worth USD 8.7 trillion, the economy and trade in UAE are expected to grow massively over the next ten years. Furthermore, the UAE has taken deliberate steps recently to position itself as a safe place for investment with a variety of measures to build confidence in attracting FDIs. For instance, in January 2023, Dubai announced an ambitious, USD 8.7 trillion plan to double the size of its economy by spurring trade and investments over the next decade. The main aim of this projects is to attract over USD 17 billion in FDIs annually for the next ten years. Further, a series of privatization by Initial Public Offerings (IPO) of five successful public companies took place in 2022, raising USD 2.65 billion.

Moreover, the UAE is taking various initiatives and providing free zones to stimulate trade growth. For example, its primary export centers are free zones that are exempt from the licensing, agency, and national majority-ownership obligations that apply to the domestic economy. No export subsidies have been identified by the World Trade Organization (WTO), and trade restrictions are usually applied on safety and moral grounds.

Figure 3. UAE Import and Export



Source: International Trade Centre

3.2.7 Others

The national and Emirate-level governments are making substantial investments in economic diversification and expansion. With its oil reserves and sovereign wealth funds valued at around US$ 1.3 trillion, the UAE possesses significant resources, free from the structural constraints that some of its neighbors face, enabling it to navigate the oil market's volatility and other challenges. The UAE is aspiring to enhance its influence as a key regional and even global center for trade, logistics, tourism, and digital innovation.

- To associate more closely with global markets, the UAE made a significant change in 2022 to the work week for government bodies. Instead of operating from Sunday to Thursday, they transitioned to a Monday to Thursday schedule, with a half day on Friday. This adjustment was made to enhance synchronization with international business practices.

- Furthermore, in March 2022, the UAE approved a comprehensive reform of its national legal system, aimed at achieving several objectives. One of the key aspects of this reform is the development of legal frameworks pertaining to data privacy, investment regulations, and the protection of intellectual property rights such as industrial property, copyrights, trademarks, and residency. Notably, the introduction of the first-ever federal data protection law ensures the proper processing of personal data throughout the UAE and removed restrictions in the new Commercial Companies law, aimed at facilitating mergers and acquisitions. The federal trademark law was also enhanced to provide broader legal protection for companies' trademarks, products, innovations, and trade names, including unconventional trademark patterns.

- In January 2022, the Ministry of Finance disclosed its plans to implement a federal corporate tax on business profits in the UAE, starting from 2023. This decision is in line with the UAE's participation in the OECD Inclusive Framework on Base Erosion and Profit Shifting. While awaiting additional instructions on the implementation of this new tax policy, companies operating within the UAE and its economic free zones anticipate a substantial impact. The scope of this impact is expected to extend to both domestic companies and those operating offshore within the country's economic free zones.

- In October 2021, the UAE made a significant announcement regarding its commitment to achieving net zero greenhouse gas emissions by 2050. As part of this ambitious goal, the UAE pledged to invest a substantial amount of US$ 163 billion in renewable energy initiatives. This investment is aimed at accelerating the transition towards sustainable and clean energy sources. The UAE's commitments and investments in clean energy and green technologies are creating numerous avenues for global businesses. The UAE hosts world-class trade events, and participating in or visiting such events can serve as an excellent means to gain insights into and expand within the UAE and the wider region.

- In 2021, the UAE introduced comprehensive economic and social reforms aimed at bolstering its recovery from the pandemic, addressing the increasing regional economic competition, and honoring its 50-year founding anniversary through a series of reform measures .

The UAE presents a compelling long-term market opportunity, despite facing some short-term challenges stemming from the lingering effects of the pandemic. While these challenges exist, it is important not to disregard the UAE when considering potential markets in the Middle East and Africa region. The country's future-focused approach, ambitious vision, and strong financial position, supported by its substantial sovereign wealth, make it an attractive destination for investment. The UAE's forward-looking outlook and robust economic fundamentals contribute to its appeal as a market with significant potential for growth and opportunity.

3.3 Qatar

3.3.1 General Information

Qatar has made remarkable progress in advancing its economy in recent years. Qatar's global positioning has set high expectations among the international community for the nation to expand its brand and attract FDIs. Regionally, the GCC is expected to avoid the global slowdown in economy with continued activities in industries such as industrial & manufacturing, tourism & culture, aviation & logistics, green economy, and sports. The neighboring countries are also competing to drive non-oil production growth, intensifying the competition for local talent. At the local level, the private sector in Qatar has matured and plays an active partnership role with the public sector through various national programs.

The FIFA World Cup 2022 was the culmination of a decade of tremendous revolutionary changes in Qatar. More than a million fans visited Qatar before the tournament, making it the focus of global attention. Domestic demand has continued to increase due to favorable hydrocarbon prices and the start of the North Field LNG development project, as well as World Cup-induced buoyancy, supporting a rapid economy-wide recovery. Since 2020, total infrastructure spending in the country has been over US$ 200 billion for creating transport infrastructure such as highways, metros, stadiums, hotels, and other amenities.

Qatar is taking advantage of the momentum generated by the World Cup and other events to continue its national transformation process, guarantee sustained economic growth, and develop a knowledge-based economy while raising the standard of living.

3.3.2 Economy Overview

Qatar

Capital: Doha

AREA
11,490.0 (sq.km)

GDP:
US$ **235.50** Billion (2023)

GDP Per Capita:
US$ **81,968.34** (2023)

Population:
2.87 Million (2023)

Unemployment Rate:
0.1% (2022)

Current Account Balance:
US$ **41.53** Billion (2023)

Inflation
2.8% (2023)

Total Export of Goods:
US$ **97.36** Billion (2023)

Total Import of Goods:
US$ **30.92** Billion (2023)

Source: IMF – World Economic Outlook Database

3.3.3 Vision

The Qatar National Vision 2030 aims for Qatar to become an advanced society capable of sustaining its development and providing a high standard of living for its people by 2030. Qatar's National Vision defines the long-term goals for the country and provides a framework in which national strategies and implementation plans can be developed. The Qatar National Vision 2030 foresees development through four pillars:

- Human Development: The pillar aims for the development of the Qatari people to enable them to promote a prosperous society.
- Social Development: The pillar aims the development a safe, just society founded on high moral standards and social capable of interacting with different societies playing a significant role in global partnerships for development
- Economic Development: The pillar aims at the development of a nationally competitive and diversified economy capable of meeting the needs of the Qatari people, both present and in the future, and securing a high standard of living.
- Environmental Development: The pillar aims at the management of the environment with harmony and balance between economic, social development and environmental protection.

In order to achieve the country's vision, Qatar has engaged in various strategic decisions. For instance, Qatar has aligned its Qatar National Vision 2030 with the Belt and Road Initiative (BRI) in China with a special focus on the energy sectors. Cultural ties are also being developed with a focus on media, tourism, and sports.

3.3.4 Rules and Regulations

The regulations that govern the establishment of a business within Qatar are mainly the Commercial Companies Law No. 11 of 2015, as amended by Law No. 8 of 2021 (the "Companies Law"), and the Foreign Investment Law No. 1 of 2019. Under the Foreign Investment Law, non-Qatari investors can, subject to certain prohibitions and exceptions, conduct business in Qatar provided that such investors have one or more Qatari partners1 whose share is not less than 51% of the share capital of a company incorporated in Qatar. To lawfully conduct business in Qatar on a regular basis, foreign investors are required to establish a legal presence in the state through one of the available options.

3.3.5 Investments

The government of Qatar offers a variety of incentives to encourage both foreign and domestic investment, including customs duty exemptions and some land-use perks. For most industries, the corporate tax rate is 10%, while there is no individual income tax. The corporate tax of 35% on foreign enterprises in the extractive industry, including natural gas extraction, is one prominent exception.

There is a rise in foreign investment prospects in industries such as infrastructure, healthcare, education, tourism, energy, information & communications technology, and services. In 2022, the government allocated US$ 20 billion for important initiatives in these industries. Manufacturing, mining & quarrying, banking, and insurance are the key sectors that attract foreign investors, as measured by the amount of inward FDI stock.

FDI inflows into Qatar have generally displayed an upward trajectory over the past few years, attributable to the nation's political stability, high-quality infrastructure, and one of the world's lowest corporate tax rates (10%). The primary contributors to FDI inflows are the US, Japan, South Korea, and Singapore, while the key sectors attracting foreign investment include oil and gas, construction, public works, and financial services.

Foreign Direct Investment	2020	2021	2022
FDI Inward Flow (US$ Million)	-2434	-1093	76
FDI Stock (US$ Million)	28627	27534	27610
Number of Greenfield Investments*	35	98	162
Value of Greenfield Investments (US$ Million)	897	1188	29974

Source: UNCTAD,

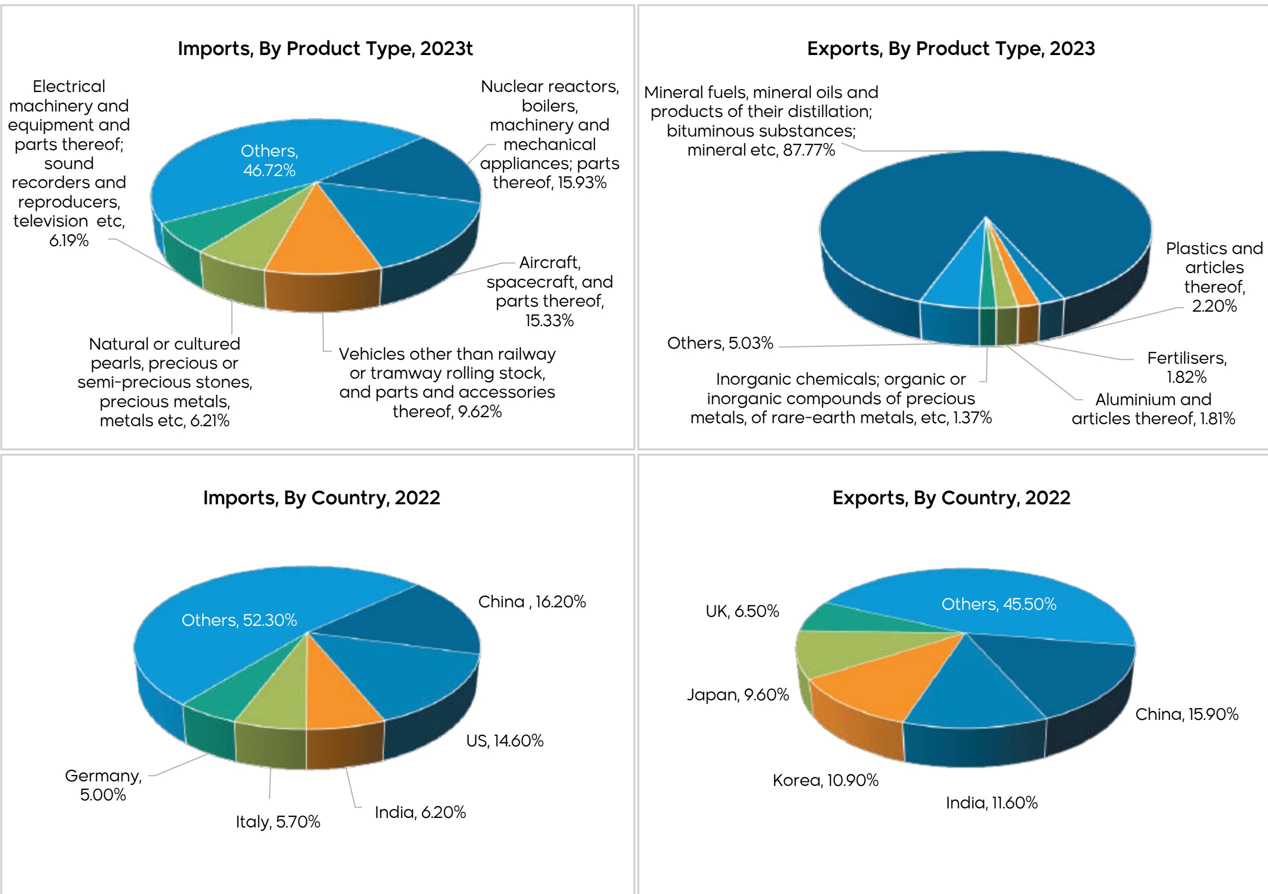
*Note: * Greenfield Investments are a form of FDI where a parent company starts a new venture in a foreign country by constructing new operational facilities from the ground up.*

3.3.6 Trade

The State of Qatar stands as one of the world's leading exporters of liquefied natural gas (LNG) and boasts one of the highest per capita incomes globally. Qatar's GDP showed a very strong performance in 2022 and 2023 This positive outlook is primarily steered by Qatar Energy's ambitious initiatives to increase LNG production by more than 60% over the next five years.

In October 2021, soon after state-owned Qatar Petroleum (QP) was rebranded as Qatar Energy (QE), Qatar announced a National Climate Change strategy. The nation's focus on LNG as a cleaner energy alternative directly supported the name change to QE. LNG can serve as a transition energy source for the world and support the adoption of more renewable energy sources, as per the nation. QE is expanding its investments in LNG with its US$30 billion North Field LNG expansion project. The project includes the development of six LNG mega trains, creating significant opportunities for energy companies. In addition, QE invested US$ 18 billion in the US energy sector in the Golden Pass Terminal (US$10 billion) in Texas and a petrochemical plant on the Texas Gulf Coast (US$8 billion). QE oversees the oil, gas, petrochemicals, fertilizer, and refining operations in the country and has multi-billion dollar interests abroad.

Figure 4. Qatar Import and Export



Source: International Trade Centre

3.3.7 Others

- The investment decisions of Qatar's government will be significantly influenced by Qatar's National Vision 2030. The national strategy of Qatar places substantial emphasis on key sectors such as education, healthcare, and information and communication technology (ICT).
- In the education sector, the focus lies on the development and empowerment of the Qatari population, as well as addressing the educational needs of the substantial expatriate community. This entails implementing initiatives and programs that enhance educational opportunities and outcomes.
- Regarding information and communication technology (ICT), the aim is to develop user-friendly solutions for residents, with a particular focus on the concept of smart government. This entails the utilization of ICT to streamline government processes, improve service delivery, and enhance overall efficiency.
- In the healthcare sector, the objective is to establish state-of-the-art institutions and efficient systems that effectively cater to the healthcare obligations of the population. This involves the enhancement of healthcare infrastructure, services, and technologies.
- The implementation of these strategies will play a crucial role in shaping Qatar's investment decisions, as the government seeks to align its priorities with the goals outlined in Qatar's National Vision 2030.

3.4 Kuwait

3.4.1 General Information

Kuwait is positioned in the northeast corner of the Arabian Peninsula, situated at the head of the Arabian Gulf. It shares borders with Iraq to the north and west, Saudi Arabia to the south and west, and is surrounded by the Arabian Gulf to the east. Among the population of 4.4 million people, approximately one-third are Kuwaiti nationals, while the rest comprise expatriate residents from over 80 countries as of 2023. The economy of Kuwait is primarily driven by the oil industry and the government sector. The country possesses significant crude oil reserves, estimated at around 101.5 billion barrels, accounting for approximately 9% of the world's total reserves as of 2021.

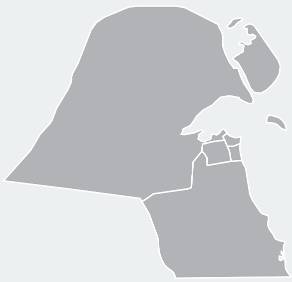
The oil industry plays a vital role in the economy, contributing to 90% of government export revenues. Additionally, the dominant industries in Kuwait include oil refining and downstream petrochemical processing. Despite facing challenges from the global oil price decline, increased government spending aims to drive economic growth. The growth of non-oil sectors is predicted to remain strong due to rising investments in varied sectors, continuous fiscal stimulus, and a minor resurgence in expatriate employment. It is worth noting that the local manufacturing of pharmaceuticals and electronics is experiencing growth in Kuwait.

Kuwait's non-oil industry is expected to expand by 3.4% and 3.7%, respectively, in 2023 and 2024, mostly due to consumption by private companies. Lower inflation rates (to 2.6% in 2023 and 2.5% in the following two years) will be the result of strong monetary policy and falling global commodity prices. Excluding investment income and FGF transfers, the fiscal surplus reduced to 1.3% of GDP in 2023 due to lower predicted oil prices. In the medium run, weaker expected oil prices will reduce fiscal balance surpluses and increase deficit worries.

3.4.2 Economy Overview

Kuwait

Capital: Kuwait City



AREA
17,820.0 (sq.km)

GDP:
US$ **159.69** Billion (2023)

GDP Per Capita:
US$ **32,215.03** (2023)

Population:
4.96 Million (2023)

Unemployment Rate:
2.2% (2022)

Current Account Balance:
US$ **48.42** Billion (2023)

Inflation
3.4% (2023)

Total Export of Goods:
US$ **85.40** Billion (2023)

Total Import of Goods:
US$ **37.37** Billion (2023)

Source: IMF – World Economic Outlook Database

3.4.3 Vision

Kuwait's 2035 vision aims to transform Kuwait into a financial and trade hub regionally and internationally and to become more attractive to investors. Where the private sector leads the economy, creating competition and promoting production efficiency. The main aspirations of Kuwait's 2035 vision include:

- Restore the regional leadership role of Kuwait as a financial and commercial hub and revive the pivotal role of the Kuwaiti private sector in the leadership of development.
- Reconstruct the important and different positions, as well as the bodies and institutions of the country, in addition to enabling work empowerment and productivity.
- Providing new infrastructure and appropriate legislation, enabling a business environment conducive to development, and providing controls and climate to ensure total and balanced human resource development.

Kuwait's 2035 vision is based on the below pillars:

- Sustainable, diversified economy
- Effective civil service
- Sustainable living environment
- Developed infrastructure
- High-quality healthcare
- Creative human capital
- Global positioning

As part of Vision 2035, Kuwait planned to build 65.5 thousand housing units through 5 projects costing about US$ 10.47 billion (3.22 billion dinars). The first project includes the city of Jaber Al-Ahmad, which is divided into about 4,600 plots, 1,400 homes, and 500 apartments and will be completed at the end of 2022. The second project is the city of Al-Mutla'a which includes 12 residential suburbs, and 28,000 residential plots and is completed by the end of 2023. The third project includes South Abdullah Al-Mubarak, which will eventually be home to 400,000 people, managed by an artificial intelligence (AI) system and is expected to be completed by 2025. The fourth project is South Sabah Al-Ahmad which will include housing alternatives totaling 25,000 housing units and is expected to be completed by 2029. The south of Saad Al-Abdullah is the fifth project, and it is still in its preparatory phase and will end in 2029.

3.4.4 Rules and Regulations

Kuwaiti was the first Gulf Arab Country to enact a Company Law. The fundamental legal basis for starting a business in Kuwait is stipulated in Articles (23) and (24) of the Kuwaiti Commercial law. Article (23) of the Code states that non-Kuwaiti citizens may not pursue any commercial activities in Kuwait, unless having a Kuwaiti partner. This partner's share must not be less than (51%). Article (24) sets forth that any foreign company may not establish a branch in Kuwait and cannot pursue its commercial activities in Kuwait unless having a Kuwaiti agent.

In order to attract foreign investors, the Kuwaiti parliament enacted law No. 116/2013 for the promotion of Direct Investment in the State of Kuwait by allowing foreign ownership of up to (100%) of business entities in certain sectors that added value and contribute to the development of the Kuwaiti economy; This Law draws an exception to the general rules governing doing business in Kuwait by foreign investors.

3.4.5 Investments

Kuwait has historically been receptive to foreign investment and is further embracing foreign capital, although FDI remains relatively underdeveloped in the country. According to CEIC Data, Kuwait Foreign Direct Investment (FDI) increased by US$ 196.3 million in September 2023 when compared with an increase of US$ 445.3 million in the previous quarter. According to the same source, Kuwait Direct Investment Abroad expanded by US$ 4.6 USD in September 2023.

As a nation rich in natural resources, Kuwait is actively seeking to leverage its oil wealth to diversify and develop the economy. The country aims to attract over US$ 200 billion in FDI between 2020 and 2035 to position itself as a global hub for trade and finance. The government is taking concrete measures to realize its ambitions by encouraging private sector investment in key sectors. Kuwait Vision 2035 focuses on enhancing the country's economic infrastructure, including the construction of new airports, ports, roads, industrial areas, residential developments, hospitals, a railroad, and a metro rail. The Northern Gateway initiative, encompassing projects such as the Five Islands or Silk City, envisions both public and private sector investment in the creation of an international economic zone.

Foreign Direct Investment	2020	2021	2022
FDI Inward Flow (US$ Million)	240	567	758
FDI Stock (US$ Million)	14952	15531	15091
Number of Greenfield Investments*	15	12	14
Value of Greenfield Investments (US$ Million)	209	113	613

Source: UNCTAD,

*Note: * Greenfield Investments are a form of FDI where a parent company starts a new venture in a foreign country by constructing new operational facilities from the ground up.*

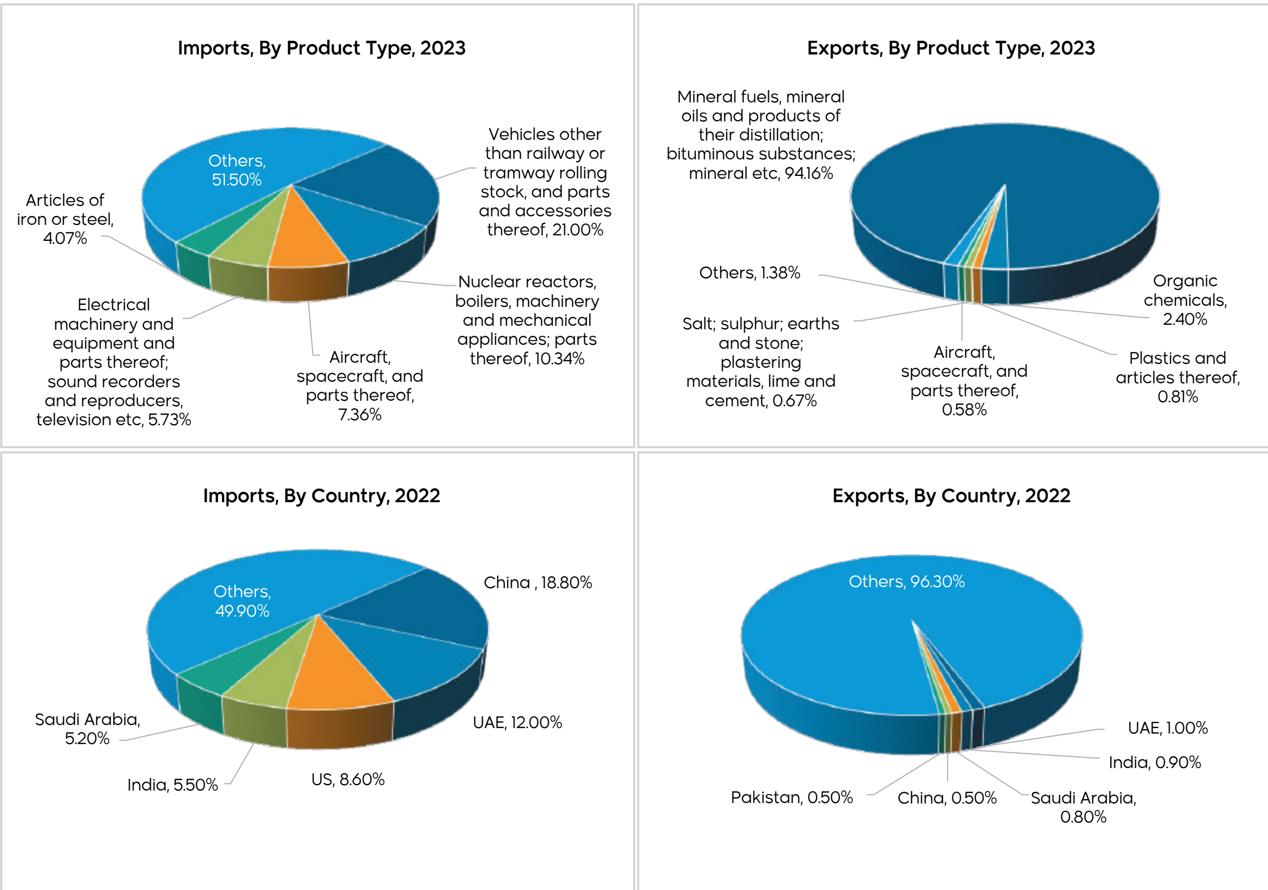
3.4.6 Trade

Kuwait has been an active member of the WTO since January 1995, and has been a participant in the General Agreement on Tariffs and Trade since May 1963. Once imported, goods can be freely transported throughout the region without additional tariffs, with the exception of certain sensitive goods.

Kuwait heavily relies on imports for capital equipment, food, manufacturing equipment, and consumer goods. The majority of these imports originate from countries such as China, the US, the UAE, Japan, South Korea, and Germany.

According to the World Bank, Kuwait's GDP in 2023 reached approximately US$ 159.69 billion, representing a significant increase compared to US$ 176.4 billion in 2022. This growth in GDP was primarily driven by high oil prices and increased government spending. Kuwait currently has an estimated oil production capacity of 3.15 million barrels per day, with plans to increase it to 4.75 million barrels per day by 2040. To achieve this production goal, Kuwait will continue to invest in upgrading downstream facilities and developing its upstream oil sector.

Figure 5. Kuwait Import and Export



Source: International Trade Centre

3.4.7 Others

- Kuwait introduced a new development plan called "Kuwait Vision 2035" in 2017, aimed at transforming the country into a regional investment and trade hub while diversifying the economy away from oil dependency. This plan emphasizes the key sectors of renewable energy, information technology, and services as targets for foreign investment. It also recognizes the importance of infrastructure development in achieving these goals.
- The government is also taking steps toward achieving its objective to boost private sector investment in key sectors. Kuwait Vision 2035 focuses on improving the country's economic infrastructure by constructing new airports, ports, roads, industrial areas, residential developments, hospitals, railroads, and metro rail. The Northern Gateway initiative, which encompasses the Five Islands or Silk City projects, envisions public and private sector investment in developing an international economic zone.
- However, Kuwait has faced challenges in meeting its development targets, with several major infrastructure projects being cancelled or put on hold. Nevertheless, the recovery of oil prices has positively impacted the 2022-2023 budget, resulting in Kuwait's first budget surplus in a decade. This surplus provides an opportunity to restart key infrastructure projects outlined in Vision 2035.
- The Kuwait Direct Investment Promotion Authority (KDIPA), which serves as Kuwait's investment promotion agency, plays a crucial role in job creation, attracting direct investment, facilitating investment licensing, identifying and addressing potential obstacles for investors, and promoting economic diversification. When evaluating applications for approval, the KDIPA considers factors such as job creation, technology transfer, diversification of income sources and exports, and support for small and medium-sized enterprises.

3.5 Oman

3.5.1 General Information

Strategically located near the Strait of Hormuz, Oman relies heavily on oil and gas, contributing 68% to 85% of government revenue. Experiencing significant economic growth since 2004, the country-initiated reforms to diversify its economy through the Energy Development of Oman (EDO) and the "2040 Vision Plan." These efforts emphasize tourism, financial services, and port activities, resulting in non-oil and gas sectors now constituting over two-thirds of GDP.

With an expansive Indian Ocean coastline, Oman aims to be a trade gateway connecting Europe, the Gulf, and South Asia. Oman capitalizes on its stunning natural beauty for tourism-driven economic growth. Economic diversification features a thriving manufacturing sector, notable growth in non-oil exports, and expected expansion in petrochemicals. The focus on the emerging mining sector, especially in gypsum and high-quality limestone production, highlights Oman's commitment to a strong and diversified investment landscape.

Oman's overall fiscal balance is anticipated to be in surplus in 2023–2025, averaging ~2.3% of GDP, assuming ongoing implementation of fiscal adjustment measures under the medium-term fiscal policy. Over the medium term, it is anticipated that the current account will continue to run comfortably in surplus since increased exports of liquefied natural gas will help offset some of the decrease in hydrocarbon prices. This would strengthen Oman's ability to withstand external shocks and aid in the rebuilding of its foreign reserves, which are anticipated to reach or surpass US$ 24 billion in 2023–2025 (6 months of imports).

3.5.2 Economy Overview

Oman

Capital: Muscat

AREA
309,500.0 (sq.km)

GDP:
US$ **108.28** Billion (2023)

GDP Per Capita:
US$ **21,265.63** (2023)

Population:
5.09 Million (2023)

Unemployment Rate:
2.3% (2022)

Current Account Balance:
US$ **5.51** Billion (2023)

Inflation
1.1% (2023)

Total Export of Goods:
US$ **62.73** Billion (2023)

Total Import of Goods:
US$ **36.38** Billion (2023)

Source: IMF – World Economic Outlook Database

3.5.3 Vision

The Oman Vision 2040 aims to build a productive and diversified economy and to achieve inclusive and sustainable development. The Oman Vision 2040 is based on three key pillars: People and Society, Economy and Development, and Governance and Institutional Performance. Within these pillars, the country has identified a list of national priorities.

- Education, Learning, Scientific Research, and National Talents
- Health
- Citizenship, Identity, National Heritage and Culture
- Welfare and Social Protection
- Economic Leadership and Management
- Economic Diversification and Fiscal Sustainability
- Labor Market and Employment
- Private Sector, Investment and International Cooperation
- Sustainable Development in Governorates and Cities
- Natural Resources and Environmental Sustainability
- Legislative, Judicial, and Audit System
- Partnership and Integration of Roles
- Governance of the Administrative Apparatus, Resources and Projects

As for Governance Oman Vision 2040 works on a series of actions aimed at (i) composed and trustworthy government decisions, (ii) high quality and high-performance government services, (iii) an effective partnership between the government, the private sector, and the civil society in the various fields of social development; (iv) a regulatory environment and governing legislations that are renewed, flexible, up to date and ensuring equal opportunities; (v) a comprehensive oversight system that protects national assets and applies the principles of accountability; and (vi) transparency and institutional disclosure to ensure the right to access information. Moreover, the Government will identify, every 5 years, sectors that drive economic diversification and other complementary sectors.

3.5.4 Rules and Regulations

All Omanis and foreign individuals and companies who wish to undertake business in Oman must register with the Ministry of Commerce, Industry and Investor Protection (MOCIIP) and submit all the resolutions records and other documents that are required to be filed with MOCIIP within seven (7) days of the day following the date of adoption of the resolution. Investors will need to be aware of the following legal framework for doing business in Oman:

Foreign Capital Investment Law (FCIL) – This law sets out the general rules regulating foreign investment in Oman.

Commercial Companies Law (CCL) – This law regulates the type of business structures that can be licensed to carry on business in Oman and how those business structures may operate.

Civil Transactions Law (Civil Code) – This law is a fundamental law that governs all civil and commercial transactions in Oman.

Labor Law – This law regulates the conditions for employment in Oman of both Omani and foreign personnel.

Income Tax Law (ITL) – This law establishes the tax regime for businesses in Oman.

3.5.5 Investment

Oman's FDI stock has been substantially replenished since the 2010 crisis and remains robust, reaching US$ 34 billion in 2021 and according to The National Center for Statistics and Information, Oman's foreign direct investments increased by 3.78%, reaching to US$ 59.54 billion by the end of the third quarter of 2023 when compared to the second quarter of 2023. Investment activity has accelerated, notably propelled by the development of the Duqm Special Economic Zone, encompassing the construction of an airport, a port, a refinery, and tourist amenities. According to data from the National Centre for Statistics and Information (NCSI), the primary investing countries are the UK, followed by the UAE, Kuwait, Qatar, and Bahrain. The majority of FDI was channeled into the oil & gas sector, with smaller portions allocated to the manufacturing, financial services, and real estate sectors.

The Sultanate of Oman aims to entice investors through the provision of tax incentives and exemptions from customs duties. Oman boasts a stable political and macroeconomic environment. However, limited access to certain sectors and governmental pressure on foreign companies to hire domestic workers pose significant barriers to foreign investment. In 2020, Oman enacted the new Foreign Capital Investment Law, eliminating the previous requirement of a minimum 30% Omani ownership for companies based in Oman, in a bid to further attract foreign investment. Additionally, in 2021, Oman introduced new incentives for foreign investors, including exemptions from specific operational requirements and fees for investment projects in the country's underdeveloped regions.

Foreign Direct Investment	2020	2021	2022
FDI Inward Flow (US$ Million)	2889	4021	3716
FDI Stock (US$ Million)	41841	45844	49560
Number of Greenfield Investments*	24	35	50
Value of Greenfield Investments (US$ Million)	6205	4708	10005

Source: UNCTAD,

*Note: * Greenfield Investments are a form of FDI where a parent company starts a new venture in a foreign country by constructing new operational facilities from the ground up.*

3.5.6 Foreign Direct Investment in Various Sectors

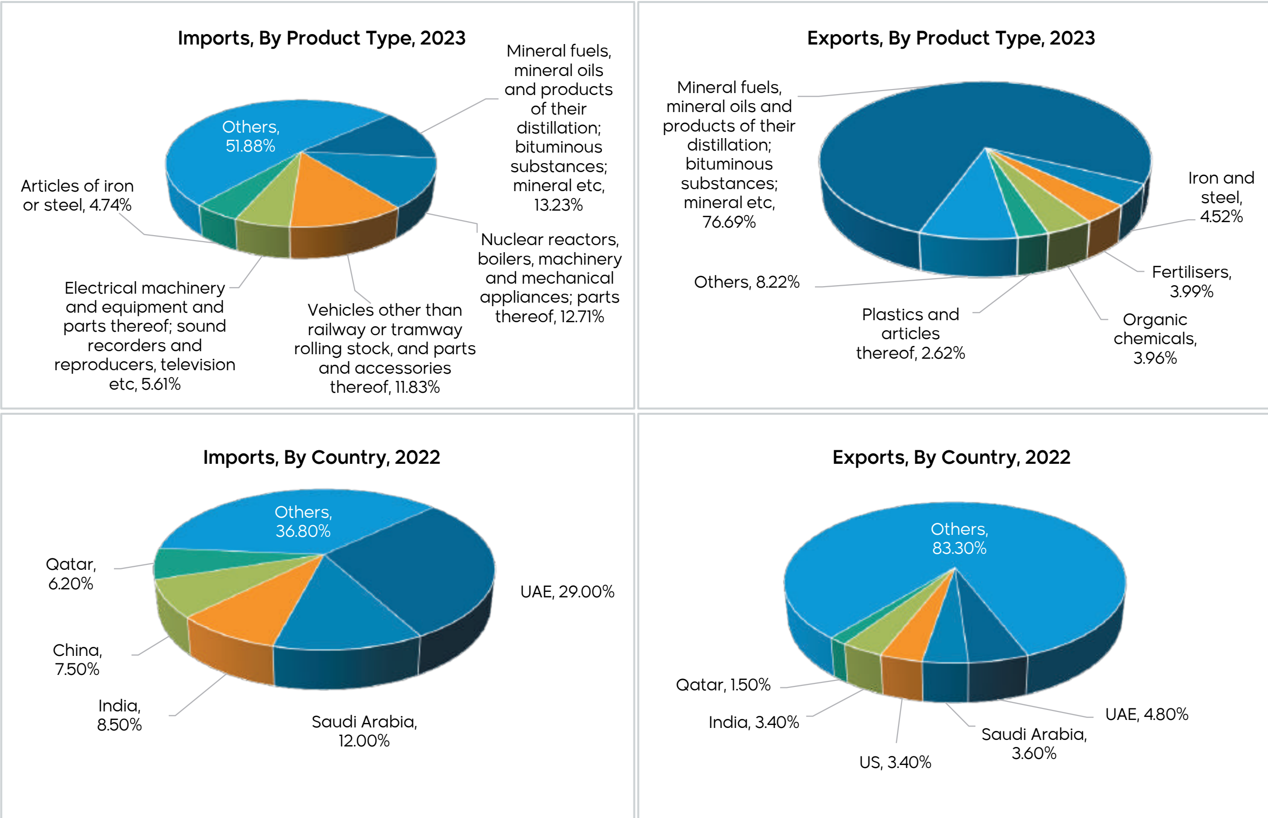
Sector	FDI Investment (US$ Million) 2023 (Till Q3)
Electricity and water	1211.34
Transport, storage and communication	940.13
Trade	561.12
Hotel AND RESTAURANTS	289.39
Constructions	213.28
Other activities	204.96

Source: National Centre for Statistics and Information (NCSI)

3.5.7 Trade

Oman became a member of the WTO in 2000, demonstrating its commitment to international trade. Additionally, Oman is a participant in the Agreement on Trade-Related Aspects of Intellectual Property (TRIPS), emphasizing its dedication to protecting intellectual property rights. Furthermore, a Free Trade Agreement (FTA) between Oman and the United States was established in 2009, aiming to promote trade between the two countries.

Figure 6. Oman Import and Export



Source: International Trade Centre

3.5.8 Others

- Oman has made a development plan, “Oman Vision 2040,” that aims to diversify and improve economic growth, create new job sectors, and promote FDI and diversification of the country’s export. The government is engaging the private sector in designing, building, financing, and operating public sector infrastructure and services and in power projects. Oman plans to implement 50 projects, including new seaport developments, school buildings, and dialysis centers, under public-private partnerships.

- Investments by foreign companies in the Oman significantly impacts all economic levels since it is the source of the majority of the dynamic components of growth, development, and structural changes. Oman’s investment ingredients encourage and enable both domestic and foreign investments.

- Special Economic Zones and Free Zones are actively promoting industrial opportunities in its four economic zones at the Duqm, Sohar, Salalah, and Al-Mazunah Free Zones. Because of the presence and splendor of Omani ports, Oman is considered a significant geographical location at the international level for trade purposes.

- Based on the principle of economic diversification, the government has adopted the idea of establishing some free zones in various parts of the Sultanate, including Salalah Free Zone, Salalah Port, Sohar Industrial Port, Sohar Free Zone, Al Mazunah Free Zone, Musandam Free Zone, and Duqm region, in order to capitalize on the Sultanate's strategic location and reap the benefits of foreign investment. Incentives include:
    - Competitive services prices.
    - Five years of tax exemption, with the possibility of a longer period in specific circumstances.
    - No income tax for individuals.
    - Freedom of exchanging foreign currency with fixed exchange rate and freedom of transferring capital and profits.
    - Full foreign property right: Upon receiving approval from the Ministers' Council, the property rate ranges from 70% to 100%.
    - One-stop service: It enables investors to quickly complete all of their transactions and queries, opening new offices or commercial representative offices for foreign enterprises in Oman is permitted for businesses that conduct their operations in conjunction with the government, and various forms of business entities.

3.6 Bahrain

3.6.1 General Information

Bahrain, an archipelago of 36 small islands in the Arabian Gulf, is situated between Saudi Arabia and Qatar. Derived from 'thnain Bahr' or 'two seas' in Arabic, Bahrain's diverse landscape includes low desert plains and a central escarpment. Bahrain's economy exhibits a notable resilience to the volatility of global crude oil prices, distinguishing it from other Gulf countries. While oil revenues contribute significantly, supporting 85% of the government budget, the Bahraini economy is relatively diversified. Beyond oil, Bahrain serves as a prominent banking and financial services hub, hosting multinational firms regionally. The nation's strategic economic positioning underscores its stability and the success of efforts to broaden its economic base.

Bahrain has the most diverse economy in the GCC; it derives economic strength from its heavy industry (including the world's largest aluminum smelter), and finance, manufacturing, ICT, retail, and tourism and logistics sectors. As a result, the non-oil sector dominated the national economy in 2023, accounting for more than 85% of GDP.

According to the Bahrain Tourism and Exhibition Authority, Bahrain received 5.9 million visitors in the first half of 2023, an increase of 51% when compared to 3.9 million visitors in the same period in 2022. According to the Information & eGovernment Authority, the Financial Corporations is one of the largest non-oil sectors contributing to the real GDP by 18.08%, followed by the manufacturing industry by 13.85% as of December 2023.

According to the GCC and Bahrain Import & Exports Outlook, Bahrain has witnessed ts exports trade drop below US$ 1 billion, with the value of products of national origin falling by 8% to US$ 941 million in January 2023. Growth in the hydrocarbon sector is expected to contract by 0.5% in 2023 while the non-hydrocarbon sectors will continue expanding by 3.5%. Bahrain positions itself as a trade hub by offering a competitive business environment, a network of free trade agreements, and various incentives for foreign investors.

3.6.2 Economy Overview

Bahrain

Capital: Manama

AREA
785.0 (sq.km)

GDP:
US$ **44.99** Billion (2023)

GDP Per Capita:
US$ **28,464.17** (2023)

Population:
1.58 Million (2023)

Unemployment Rate:
5.4% (2022)

Current Account Balance:
US$ **2.99** Billion (2023)

Inflation
1.00% (2023)

Total Export of Goods:
US$ **25.23** Billion (2023)

Total Import of Goods:
US$ **15.36** Billion (2023)

Source: IMF – World Economic Outlook Database

3.6.3 Vision

The Economic Vision 2030 is a comprehensive economic vision for Bahrain, providing a clear direction for the continued development of the country's economy. The Economic Vision 2030 focuses on shaping the vision of the government, society, and the economy based on three principles: sustainability, justice, and competitiveness.

- Sustainability: Bahrain's economic vision adopts a government financing policy to achieve the principle of sustainability on which future aspirations are based. Bahrain will use its resources in the future to develop human capital, education, and training, especially in the fields of applied sciences, and encourage leadership and innovation to ensure sustainability for a thriving private sector.
- Competitiveness: Bahrain's vision is based on achieving high competitiveness in the global economy, and achieving increased productivity more naturally in a competitive climate that drives economic development, doubles profits, and raises wage levels.
- Justice: To stimulate and enhance justice, the public and private sectors are committed to transparency and providing an atmosphere of free and fair competition in all transactions, whether related to employment. The Kingdom aims to apply justice in society by treating everyone equally under the law, applying international human rights standards, giving equal opportunity to obtain education and health care, and providing support to those in need by providing appropriate job training and providing social security.

In order to align with the Economic Vision 2030, the Government of Bahrain has revealed the details of its strategic projects plan, which will see more than 20 new projects coming up across key sectors such as telecoms, tourism, education, manufacturing, and health, at an investment of more than US$ 30 billion.

3.6.4 Rules and Regulations

Employment relations in Bahrain are principally governed by Labour Law No. 36 of 2012. The Labour Law reflects Bahrain's efforts to come in line with international standards, and it has aligned Bahrain's domestic law with various Arab and international labor treaties and conventions.

Law No. 48 of 2018 concerning Value Added Tax (VAT) imposed on the supply of goods of goods and services in Bahrain as well as imports of goods and services at the standard rate of 5%

Law No. 30 of 2018 concerning Data Protection describes the legal protection of personal privacy as among the main constitutional rights of the person and notes that it should be protected, particularly in the context of the increasing use of electronic/digital means for processing information.

Law No. 22 of 2018 concerning the Restructuring and Insolvency Law promotes efficiency in the insolvency process. It applies to commercial companies established in Bahrain and natural person traders who either do business or have their headquarters in Bahrain.

3.6.5 Investment

A business friendly and favorable tax environment, progressive legislation, and a highly skilled diverse talent pool augments Bahrain's attractiveness for investment. Bahrain Economic Development Board (Bahrain EDB) has achieved a remarkable milestone securing a record level of investments upwards of US$ 1.7 billion in 2023, an increase of 55% compared to the US$ 1.1 billion in investments generated by Bahrain EDB in 2022. The investments for 2023, which stem from 85 local and international projects, are projected to generate over 5,700 employment opportunities over a three-year period across priority sectors in the interest of promoting economic diversification and sustainable growth. The highest level of investments was attracted into the financial services sector, demonstrating the sector's strength, resilience, and ability to attract leading global players.

Furthermore, the Kingdom of Bahrain was recognized as one of the top 20 global economies in terms of attracting direct investment, as per the Financial Times' Greenfield FDI Performance Index 2021. Bahrain secured the 15th position among 84 countries included in the report, and also ranked 2nd in the Gulf and 3rd in the Middle East and North Africa (EDB Bahrain, 2022).

Foreign Direct Investment	2020	2021	2022
FDI Inward Flow (US$ Million)	1021	1779	1951
FDI Stock (US$ Million)	31705	33484	35436
Number of Greenfield Investments*	24	30	30
Value of Greenfield Investments (US$ Million)	1044	1007	2242

Source: UNCTAD,

*Note: * Greenfield Investments are a form of FDI where a parent company starts a new venture in a foreign country by constructing new operational facilities from the ground up.*

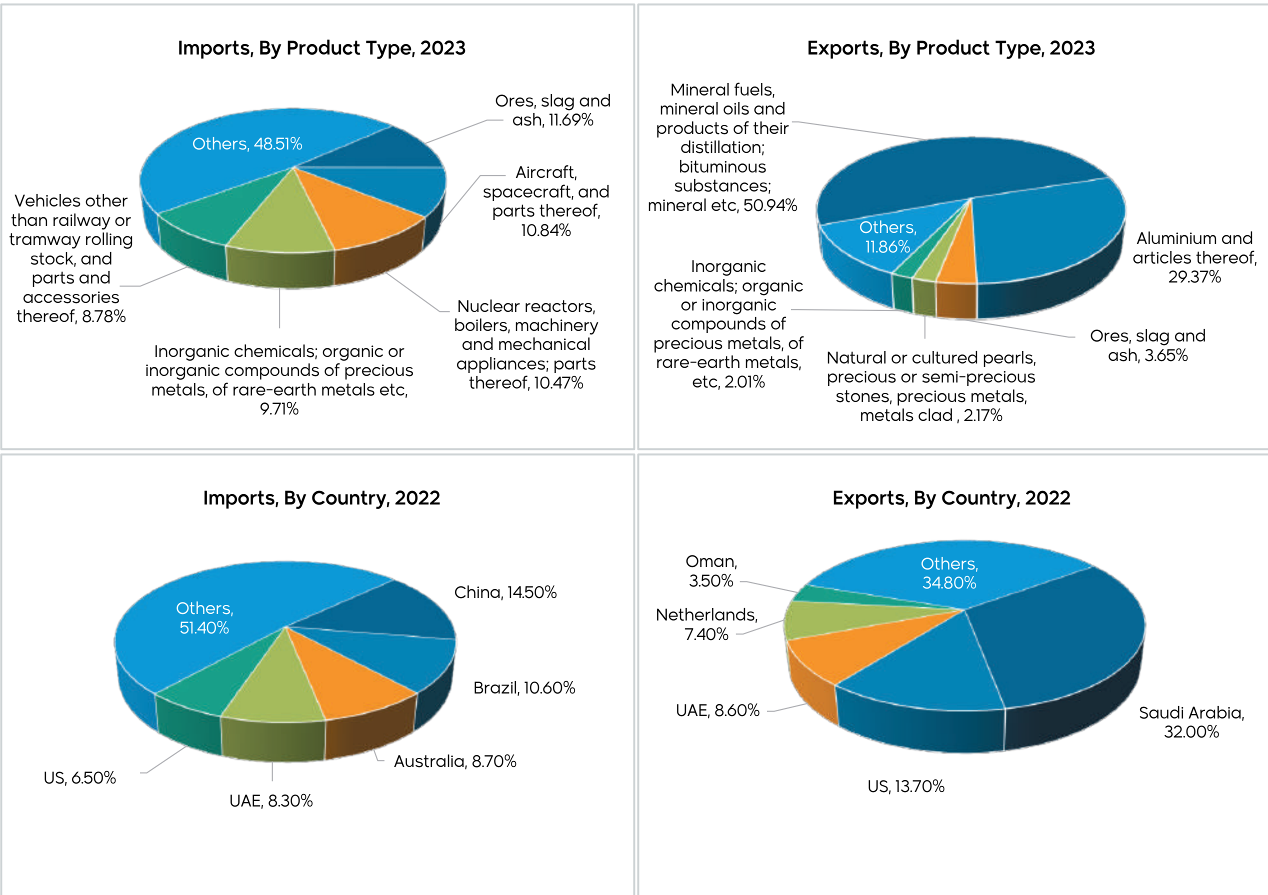
3.6.6 Trade

Bahrain is recognized as one of the most open economies in the Middle East and North Africa (MENA) region. With multiple free trade agreements, outstanding infrastructure, and robust financial institutions, Bahrain is well positioned to offer traders and investors access to regional and international markets.

As one of only two Gulf Cooperation Council (GCC) member countries with a Free Trade Agreement (FTA) with the United States, Bahrain allows 100% foreign ownership of a business or branch office in most sectors, without the requirement for a local partner. Moreover, Bahrain imposes no taxes on corporate income, personal income, wealth, capital gains, withholding, or death/inheritance, and has no restrictions on the repatriation of capital, profits, or dividends.

In the 2022 Index of Economic Freedom by the Heritage Foundation, Bahrain was ranked 74th, trailing only Qatar and the UAE among GCC nations. A 7.9-point decline from 2021 was witnessed in Bahrain's overall index score of 2022.

Figure 7. Bahrain Import and Export



Source: International Trade Centre

3.6.7 Others

- Bahrain provides an open and appealing economic and regulatory environment for international companies seeking access to the Gulf and Middle East markets. The country boasts the lowest corporate and personal taxes in the Gulf, with no restrictions within free trade zones. Foreign business ownership is fully permitted in over 95% of all economic activities, alleviating the need for a local partner in most cases. The country's robust logistical infrastructure is another significant advantage.

- Bahrain's Vision 2030 defines measures to protect the natural environment, minimize pollution, reduce carbon emissions, and promote sustainable energy. Monitored by Bahrain's Ministry of Electricity and Water Affairs and endorsed by Bahrain's Cabinet and, the National Energy Efficiency Action Plan (NEEAP) set national energy efficiency target at 6% and the National Renewable Energy Action Plan (NREAP) set national renewable energy 2025 target of 5%, with the NREAP target increasing to 10% by 2035.

- Bahrain offers several incentive opportunities. Since 2017, the Central Bank of Bahrain (CBB) has conducted a financial technology regulatory sandbox that enables startups to test new cryptocurrency and blockchain technologies and assess regulatory compliance. A foreigner can own 100% of a company established in Bahrain for most business activities. The incentive opportunities offered by the country include a 0% corporation tax rate; wide duty-free access to the US, Singapore, the key economies of the GCC, all 14 Arab countries (Egypt, Jordan, Kuwait, Lebanon, Morocco Oman, Qatar, Saudi Arabia, Sudan, Syria, UAE and others), Norway, Switzerland, Iceland, and Liechtenstein; the duty-free import of machinery and raw materials; state funding availability via Tamkeen for hiring local talent; highly competitive land rental prices; and comprehensive onboarding and after-care support. Additionally, Bahrain offers a large, highly skilled pool of financial professionals, an advanced and internationally respected regulatory framework, and a physical connection to Saudi Arabia – the largest economy in the Gulf.

3.7 Switzerland

3.7.1 General Information

Switzerland is a global economic powerhouse with an advanced and resilient economy, driven by strategic exports and resource importation. A robust regulatory framework and well-defined business laws provide a secure environment for investors. Actively participating in global economic organizations, Switzerland showcases its commitment to international collaboration. Low unemployment rates and a highly skilled workforce contribute to its economic strength. The impressive per capita GDP reflects prosperity and overall economic health. Despite its small size, Switzerland maintains economic dynamism through diverse sectors, including finance, insurance, and high-tech manufacturing. This diversity positions Switzerland as a leader in technological innovation on the international stage.

Switzerland has continued a policy of armed neutrality in global affairs for many centuries. This approach has contributed to the country's access and political stability, allowing it to become one of the world's wealthiest nations with a highly efficient market economy. Switzerland boasts a high standard of living, strong industrial productivity, and exceptional education and healthcare systems, ranking among the best in Europe.

During the pandemic, the Swiss economy demonstrated resilience, largely due to its focus on the financial sector and the chemical and pharmaceutical industries. While the country's GDP saw a modest increase of 0.9% in 2023, down from the previous year's 2.7% growth, this was attributed to tight monetary policies aimed at combating inflation, which impacted investment spending.

3.7.2 Economy Overview

Switzerland

Capital: Bern

AREA
39,676.0 (sq.km)

Population:
8.81 Million (2023)

Unemployment Rate:
2.1% (2022)

Current Account Balance:
US$ **72.55** Billion (2023)

Inflation
2.2% (2023)

GDP:
US$ **905.68** Billion (2023)

GDP Per Capita:
US$ **1,02,865.57** (2023)

Total Export of Goods:
US$ **420.17** Billion (2023)

Total Import of Goods:
US$ **364.09** Billion (2023)

Source: IMF – World Economic Outlook Database

3.7.3 Vision

The Sustainable Development (2030 Agenda) provides an important reference framework for Switzerland. The 2030 Agenda for Sustainable Development (2030 Agenda) adopted by the UN Member States on 25 September is at the top of Switzerland's priority list with regard to sustainable development. Switzerland was actively involved in drawing up the universally applicable goals, the financing framework and an effective monitoring and review system.

3.7.4 Rules and Regulations

Although Switzerland has restrictions on the number of foreign workers coming in —4,000 "L" short-term permits and 4,500 "B" long-term permits for non-EU/EFTA nationals, 3,000 "L" short-term permits and 500 "B" long-term permits for service providers/seconded workers based in the EU/EFTA, and 1,400 "L" short-term permits and 2,100 "B" long-term permits for British nationals— it is a country keen to attract enterprise and innovation. Foreign residents can set up their own business in Switzerland. However, only those who meet certain requirements have a legal right to start a business. Financial requirements for setting up a business in Switzerland depend on what type of business. Nationals of EU/EFTA member states can freely exercise a self-employed activity in Switzerland. To do so, they only have to be in possession of a residence permit (B permit) valid for 5 years. Third-country nationals (neither EU nor EFTA) must meet the requirements for the Swiss labor market.

3.7.5 Investment

Switzerland's stability, fair legal system, reliable infrastructure, and efficient capital markets make it an appealing destination for foreign investors. However, despite its attractiveness, foreign direct investment (FDI) flows to Switzerland are highly susceptible to international trade dynamics and political stability, leading to significant volatility. Numerous Swiss cantons have leveraged tax incentives, such as tax exemptions for new companies for up to ten years in some cases, to attract investment into their jurisdictions.

Investments in high-tech startups in Switzerland fell by 35% in 2023 (US$ 2.88 billion) when compared 2022 due to the downturn in the global venture capital market. According to the Swiss Venture Capital Report, investments in ICT and fintech sectors fell by more than 60% to US$ 869.26 million, while investment in biotech and medtech start-ups rose by 22% to US$ 544.11 million.

In 2022, US and EU investors controlled 41% and 30% of the capital stocks respectively. Most of the EU stock was attributed to investors from the Netherlands, Luxembourg, and Ireland. In the same year, resident parent companies held a majority stake in 20,300 non-resident enterprises, with 8,600 in the manufacturing sector and 11,700 in the services sector. Notably, the "other services" category accounted for 5,700 non-resident subsidiaries. Within the manufacturing sector, non-resident subsidiaries collectively achieved a turnover of ~US$ 580 billion, with the "other manufacturing and construction" category leading with a 7% increase to ~US$ 197 billion. In the services sector, non-resident subsidiaries collectively achieved a turnover of US$ 431 billion, with insurance companies leading with gross premiums reaching US$ 129 billion. According to the latest OECD data, FDI flows to Switzerland were negative by US$ 94.5 billion in the first half of 2023, contrasting with investments worth US$ 93.4 billion recorded in the same period the previous year.

Foreign Direct Investment	2020	2021	2022
FDI Inward Flow (US$ Million)	-50252	-88169	13311
FDI Stock (US$ Million)	1183255	1038359	1036890
Number of Greenfield Investments*	128	147	151
Value of Greenfield Investments (US$ Million)	3114	3247	8354

Source: UNCTAD,

*Note: * Greenfield Investments are a form of FDI where a parent company starts a new venture in a foreign country by constructing new operational facilities from the ground up.*

3.7.5.1 Trade

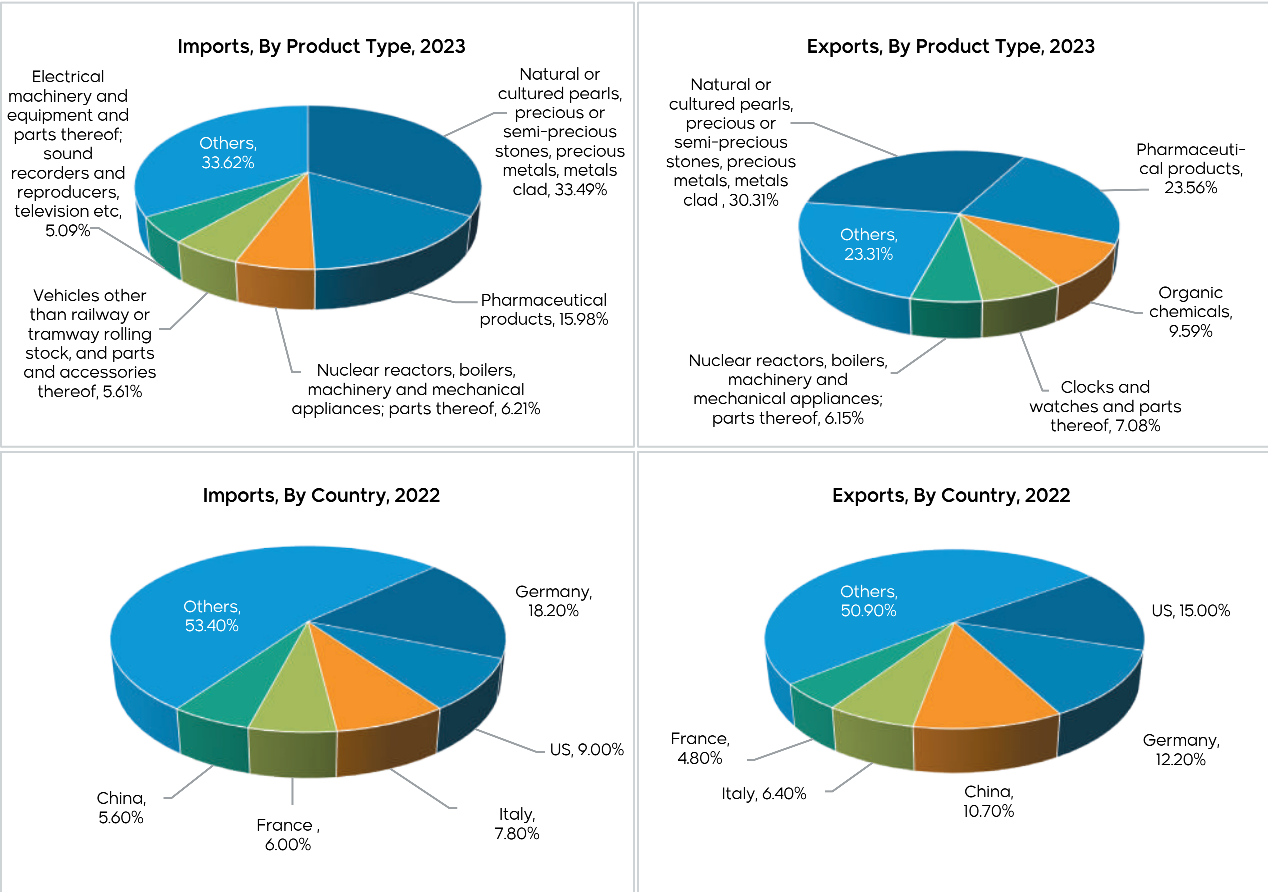
The European Union (EU) holds a significant position as Switzerland's primary trading partner, with approximately fifty-two percent of Swiss exports being directed towards the EU.

Bilateral I and Bilateral II agreements facilitated closer political cooperation between the EU and Switzerland, covering matters such as world affairs, asylum, and internal security.

Switzerland has been a member of the WTO since July 1995. As a WTO member, Switzerland is committed to reducing customs tariffs and maintaining open services markets. The WTO ensures that all member countries adhere to the established requirements and effectively implement them. Switzerland can also resolve any trade disputes through the mechanisms provided by the WTO.

While Switzerland actively engages in international trade for industrial goods, its agricultural sector remains protected. Stringent food regulations in Switzerland often require trading countries to adjust their products to comply with European guidelines.

Figure 8. Switzerland Import and Export



Source: International Trade Centre

3.7.6 Others

- Switzerland is home to an affluent and cosmopolitan population of 8.8 million people as of 2022. with foreign nationals accounting for approximately 25% of the total population. Recognized by tile World Intellectual Property Organization (WIPO) as the most innovative country globally and among tile nations with the highest expenditure on research and development (R&D) as a percentage of GDP. Switzerland Is well-positioned to maintain its strong performance in global trade and investment. Switzerland's highly automated and efficient manufacturing sector is distinguished by its consumption and production of high-quality. value-added industrial and consumer goods. reflecting robust market demand for superior products at competitive prices. In addition to manufacturing, Switzerland is renowned for its exceptional pl1armaceutical and financial industries.

- International investments play a crucial role in driving economic growth and prosperity in Switzerland. just like in many other countries. Swiss companies have a long-standing tradition of not only exporting industrial goods and services but also investing capital. particularly t11rougl1 direct investments. Switzerland has successfully posi!IOned itself as an attractive destination for foreign capital investment. Tile significance of foreign investment is further highlighted when observing the historical perspective. as the capital invested abroad through Swiss investments has more than doubled since 2010 and quadrupled since 2000. These trends underscore the importance of international investments for Switzerland's economy and its ongoing growth.

- Numerous foreign companies choose Switzerland as the location for their European or regional headquarters. attracted by its world-class infrastructure. favorable corporate tax rates. business-friendly legal and regulatory environment. and exceptional human capital. The country's esteemed vocational education and apprenticeship system have played a key role in nurturing a highly educated, dependable. and adaptable workforce. contributing to Switzerland's appeal as a business destination. While Switzerland's multilingual and multicultural population may present challenges in business strategy and marketing. these aspects position Switzerland as an ideal potential test market for assessing the export viability of products and establish it as a hub for international business activities. Prominent examples of companies that have established their head office or central functions in Switzerland include Biogen. Bombardier. Caterpillar. Dow. DuPont. Google. IBM. Johnson & Jolmson. Mondelez. and Procter & Gamble.

4. Investment Opportunities

4.1 GCC Countries

Firstly, these nations exhibit strong economic fundamentals, boasting high GDP per capita, robust financial systems, and substantial sovereign wealth funds. These factors collectively contribute to a foundation of economic stability and significant growth potential.

A notable characteristic of the GCC economies is their proactive approach to diversification. In a deliberate move away from oil dependence, substantial investments are being made across various sectors such as renewable energy, tourism, logistics, and advanced manufacturing. This strategic shift underscores a commitment to ensuring long-term economic sustainability and resilience.

The strategic location of the GCC countries is another key aspect that enhances their investment appeal. Situated in close proximity to major trade routes and pivotal markets in Asia, Africa, and Europe, these nations benefit from easy access to significant consumer bases. This advantageous geographic position positions the GCC as pivotal players in global trade and commerce.

Further contributing to the attractiveness of the region is the ongoing commitment to infrastructure development. Substantial investments in airports, ports, roads, and digital infrastructure are actively improving connectivity, thereby facilitating seamless business operations and positioning the GCC as a dynamic and efficient business environment.

Governments across the GCC are actively engaged in reform efforts to enhance the overall business climate. Initiatives aimed at streamlining regulations, improving transparency, and fostering a more business-friendly environment are indicative of a concerted effort to attract and retain investments. These reforms contribute to the region's growing competitiveness on the global economic stage.

Lastly, the focus on innovation is a noteworthy aspect of the GCC's investment landscape. Increasing investments in research and development, particularly in emerging technologies such as artificial intelligence and blockchain, open up new opportunities and position the region at the forefront of technological advancements.

In conclusion, the GCC nations present an investment climate characterized by a combination of robust economic fundamentals, strategic diversification plans, advantageous geographical positioning, ongoing infrastructure development, progressive reform efforts, and a dedicated focus on innovation. Collectively, these factors create a compelling environment for both domestic and foreign investors seeking opportunities in the region.

4.1.1 Saudi Arabia

4.1.1.1 Overview of Investment Climate

Owing to its abundant natural resources and strategic geographical location at the crossroads of three continents, the Kingdom of Saudi Arabia stands out as a distinctive and unparalleled hub for enticing yet undiscovered business opportunities. The implementation of numerous economic reforms outlined in the ambitious Vision 2030 has proven effective in not only delineating fresh business prospects but also in amplifying the Kingdom's fundamental strategic assets. These reforms have not only propelled economic growth but also significantly diversified and expanded the spectrum of investment options available within the country.

Saudi Arabia, driven by the Vision 2030 plan, is rapidly unveiling unprecedented opportunities for investors. The Ministry of Investment is playing a pivotal role in creating a dynamic cross-government investment ecosystem and guiding businesses through their investment journey.

Saudi Arabia is committed to assisting investors step by step, offering advice and direction on legal requirements and licenses needed to start a business.

Overseen by the Ministry of Investment, INVEST SAUDI serves as the nation's investment attraction brand. It acts as a unified point of contact for both domestic and foreign investor, facilitating investments that support economic growth and position Saudi Arabia globally.

Dedicated to easing procedures for establishing and operating businesses, the Saudi Business Center platform consolidates e-government services, reducing business startup time to 30 minutes. It has contributed to a significant increase in small and medium-sized businesses.

Established to enhance competitiveness, National Competitiveness Center (NCC) focuses on comprehensive development, productivity, sustainability, and inclusiveness. It works on legislative and procedural reforms to bolster the transition to global competitiveness.

These online platforms foster interaction between the private sector and government entities. They collect feedback on challenges, propose solutions, and provide opportunities for public input on economic and development-related laws.

This electronic portal serves as a unified database for investors seeking real estate and municipal investment opportunities across various government agencies. It streamlines the investor journey, promoting the development of Saudi cities.

Saudi Arabia's commitment to innovation, efficiency, and investor support makes it an attractive destination for those seeking diverse and dynamic business opportunities.

Saudi Arabia offers investors a lot of potential and opportunity; it is a G20 economy, which is characterized by a young, well-educated populace. A comprehensive range of economic changes implemented as part of Vision 2030 has succeeded in establishing new business possibilities, utilizing the core strategic assets of Saudi Arabia, as well as driving economic development and diversification.

Saudi Arabia is offering new economic opportunities to other countries across the globe. The government of Saudi Arabia announced the establishment of four special economic zones (SEZs) in April 2023 to provide local and international companies with incentives to attract required foreign direct investment.

The new SEZs are strategically located across the country, including King Abdullah Economic City in the west, Jazan in the southwest, Ras Al Khair in the northeast, and Cloud computing in King Abdulaziz City for Science and Technology in central Riyadh. These SEZs provide benefits such as competitive corporate tax rates, duty-free imports of machinery and raw materials, 100% ownership of enterprises, streamlined establishment procedures, and flexibility in hiring foreign labor.

4.1.1.2 Government Initiatives

Saudi Arabia's economic transformation is driven by Government investments. The Saudi government is committed to develop a local economic force and localizing cutting-edge technology and knowledge, as well as investing in global markets through strategic partnerships and launching initiatives that contribute to Vision 2030 goals.

- Investment Principles and Policies in the Kingdom
- Ensure equality between Saudi and non-Saudi investors, and among non-Saudi investors.
- Ensure the protection of investments, in line with Saudi Arabia's regulations.
- Enhance the sustainability of investments and deal with investor complaints in a transparent manner.
- Provide investment incentives when needed and ensure full transparency when granting. Provide a list of investment incentives and grant them in accordance with general, clear, and non-discriminatory criteria.
- Maintain environmental and social standards to ensure that Saudi and non-Saudi investors comply with regulations regarding labor, health, and environmental safety in accordance with national regulations and policies and the international conventions in which Saudi has acceded.
- Facilitate entry procedures for non-Saudi employees including technicians, administrators, and their dependents. Arrange their residency in the Kingdom to facilitate their participation in activates related to foreign investments in accordance with the Saudi Arabia regulations and its international obligations.
- Transfer and localize science and technology resulting from foreign direct investment in accordance with the Saudi Arabia's international obligations.

NEOM, the giga-project in Saudi Arabia, has recently closed contracts with investors for the initial phase of its residential communities expansion. This significant social infrastructure project aims to accommodate the growing workforce in the region. This agreement between NEOM and investors, valued at over USD 5.5 billion (SAR 21 billion), establishes one of the largest international public-private partnerships for accommodation. NEOM has partnered with leading companies in Saudi Arabia to deliver and operate temporary communities with world-class services and infrastructure. This milestone achievement reflects the capabilities of NEOM's team and partners, who efficiently secured a record amount of financial support. The agreement also opens doors for increased private sector participation in NEOM's infrastructure development.

The second phase of the residential project is expected to be released to the market in the near future. Alongside contract awards, NEOM is currently evaluating investor interest and plans to select pre-qualified participants. As part of NEOM's strategic ambitions, attracting additional investors to contribute to its vision and actively manage its commercial assets has been a crucial goal. This multi-billion-riyal investment underscores the grand scale of the project's significance for Saudi Arabia. It will also have a direct positive economic impact on the region, fostering the development of local expertise, promoting sustainable construction solutions, and generating local job opportunities. NEOM's core developments, such as THE LINE, Trojena, Oxagon, and Sindalah, are progressing rapidly as infrastructure continues to take shape across the vast region. This recent public-private partnership is a vital milestone in ensuring that larger plans are implemented according to agreed timescales. The scope of this agreement encompasses various aspects, including design, finance, construction, operations, and maintenance of the housing communities.

To facilitate investments in Saudi Arabia, the Ministry of Investment has established an Investment Services Centre (ISC). The ISC is responsible for making decisions on granting or refusing licenses within a specified time frame of 30 days after receiving an application from an investor. The Saudi Centre for Commercial Arbitration has also been established, ensuring that foreign investors have access to affordable arbitration services in commercial disputes. The Saudi government has introduced an ambitious development program known as Saudi Vision 2030, which presents significant opportunities for foreign investors in various sectors, including education, housing, healthcare, and energy. To promote investment in the Kingdom, the Ministry of Investment (MISA) has created Invest Saudi, the national investment promotion brand. This entity offers a range of services to assist investors. Moreover, Saudi Arabia has designed specific incentives and support schemes to encourage investment, focusing on financial assistance, fiscal benefits, and employment support. The MERAS initiative facilitates streamlined services with government agencies to further support investors. The Meras platform is an e-government initiative to enhance the private sector's role in the Saudi market. The initiative aims to help Saudi business owners to understand the process of establishing their business in Saudi Arabia. It is a gateway that provides businesses with e-services, by collecting all the important links in one place.

4.1.1.3 Potential Challenges

Despite the available investment opportunities, investors continue to express concerns about the predictability of businesses, and transparency, in Saudi Arabia. The Saudi Arabian government (SAG) faces pressure to generate non-oil revenue and create more job opportunities for its citizens. In response, the SAG has introduced measures that could potentially undermine the country's investment environment moving forward. These measures include increased fees for expatriate workers and their dependents, as well as "Saudization" policies that mandate specific businesses to meet quotas for hiring Saudi workers, leading to disruptions in some private sector activities.

Moreover, in 2021, Saudi Arabia announced that multinational companies seeking to contract with the SAG must establish their regional headquarters in the country by 2024. While the SAG has taken significant steps since 2018 to enhance the protection, enforcement, and awareness of intellectual property rights (IPR), some concerns persist, particularly regarding enforcement and regulatory data protection. Despite being removed from the United States Trade Representative's Special 301 report in 2022, Saudi Arabia still faces challenges such as increase enforcement against counterfeit and pirated goods and online pirated content in IPR protection.

Saudi Arabia is increasingly moving towards adopting a single standard in technical regulations, typically based on International Organization for Standardization (ISO) or International Electrotechnical Commission (IEC) standards, while excluding other international standards, including those developed by U.S. domiciled standards development organizations (SDOs). This exclusion of other international standards, commonly utilized by U.S. manufacturers, can lead to significant market access restrictions for industrial and consumer products exported from the United States.

Concerns persist among stakeholders regarding Saudi Arabia's development of standards and technical regulations. These concerns revolve around the lack of meaningful consultation with the industry, unclear guidance on implementation, and insufficient transition periods for companies to comply.

4.1.2 UAE

4.1.2.1 Overview of Investment Climate

The UAE has significantly enhanced its investment attractiveness in recent years, attracting substantial FDI inflows and earning recognition as a premier global investment destination. Efforts to improve the business environment, coupled with strategic investments in infrastructure and renewable energy projects, have propelled the nation's economic transformation. With a diversified economy and robust legal framework, the UAE fosters competitiveness and ensures a fair and stable investment environment. Renowned for its advanced infrastructure and supportive government policies, the UAE serves as an ideal base for international companies to manage regional operations. Embodying values of tolerance and multiculturalism, the UAE offers a safe and inclusive environment for residents and businesses alike.

The UAE has established over 135 double tax agreements globally, including with key trading partners, allowing tax benefits for investors and workers. It actively pursues new agreements worldwide. With a skilled, multicultural workforce and a focus on becoming a hub for highly talented professionals, the UAE fosters a diverse and inclusive environment. Renowned for its tolerance, the UAE hosts close to 200 nationalities, providing exceptional healthcare and education. Hosting the largest number of regional headquarters in the Middle East, its advanced infrastructure and government support make it an ideal base for international companies, facilitating their regional operations.

Additionally, initiatives to support start-ups and SMEs further contribute to the nation's dynamic economic landscape. Through strategic agreements and protections, the UAE continues to reinforce its commitment to fostering a conducive environment for investment and economic growth.

The UAE is a significant trade and investment center for the Middle East, North Africa, and is increasingly gaining importance for South Asia, Central Asia, and Sub-Saharan Africa. Multinational companies point to the UAE's political and economic stability, robust infrastructure, well-developed capital markets, and perceived absence of systemic corruption as factors that enhance its appeal to foreign investors. To attract foreign direct investment (FDI), the UAE employs strategies such as not levying taxes or imposing restrictions on capital repatriation, allowing relatively unrestricted labor movement into the country, maintaining low entry barriers (with effective tariffs of around five percent for most goods), and providing FDI incentives.

- The Abu Dhabi Government has created a US$ 1.09 billion fund to boost research and development, providing rebates on R&D spending and costs of new activities in Abu Dhabi.
- Abu Dhabi has pledged US$ 1.52 billion to support R&D on solutions to water scarcity and food security.
- The government encourages developments in precision agriculture and Agri-robotics to help local farmers minimize the utilization and wastage of critical resources including water, energy, and land.
- Investments in food logistics related technology, especially blockchain integration with supply chains and the Internet of Things (IoT), to improve traceability and quality assurance.
- A new unified license under the National Food Security Strategy is estimated to reduce the costs of establishing farms by 60 .
- Development and implementation of Certificate of Needs [CoN] guidelines would support and guide investments to deliver quality services.
- An annual innovation showcase and pitch competition led by the Ministry for Economy provides start-ups with the opportunity to meet with investors, companies, industry experts, and government representatives.
- There are many free zones in the UAE that focus on industrial manufacturing across the various emirates. They determine the UAE's strength as a major logistics hub, particularly around ports and airports. These include Jebel Ali Port, Khalifa Port, Sharjah International Airport Free Trade Zone, and the Al Ghail Industrial Zone.
- Recognizing the importance of the automobile sector, a new industrial city named Rahayel City is being built as a specialized automobile hub in the UAE.

Source: Investemirates.ae

4.1.2.2 Government Initiatives

The UAE Government has ambitious strategic development objectives and realizes its vision through wise policies and initiatives that aim to drive the economy and foster happy societies. These development plans were accompanied by exceptional projects for more than half a century, even as it aspires for a more diversified, competitive, and adaptable economy based on science and innovation. The UAE's future endeavors are spearheaded by inclusive strategies towards achieving a digital and knowledge-based economy.

The UAE provides incentives to investors to boost the number of start-ups, and small and medium sized enterprises (SMEs) in the nation. Along with removing obstacles to investment flow, the government is also supporting the diversification of the nation's income sources.

Investment and incentives include benefits such as:

40 free zones for company incorporation
These zones are considered by their infrastructure, and distinct services that facilitate smooth workflows, saving considerable time and effort. Allow 100% foreign ownership, 100% exemption from custom duty, easy regional and global market access and other benefits.

Investing in all economic activities
Providing opportunities for foreign investors to invest in the trade, industry, agriculture, services, education, health and construction along with several other sectors across the UAE. There are more than 2,000 licensed economic activities, with local laws excluding only limited number of domains.

Legal ownerships
As the UAE's updated Commercial Agency Law comes into full effect, new businesses and their owners are making full use of the 100 per cent ownership option that is now allowed across categories

No or less requirement for national agents
The UAE Commercial Companies Law does not require foreign companies wishing to open a branch and practice their business in the UAE to have a local national sponsor/agent, giving a strategic advantage to foreign companies and enhancing the ease and transparency of doing business in the country.

Control of shareholding company boards, no minimum capital
The Chairman and a majority of the board of joint stock companies are not required to be UAE Nationals, pursuant to the UAE Commercial Companies Law, giving foreign investors the right to fully control their shares in companies, unless any decree or resolution stipulates otherwise

No income tax and full profit transfer
The UAE does not impose income tax on individuals, investors or corporates, with the exception of oil companies and branches of foreign banks. As a country with a free economy model since inception, it allows individuals and investors to freely repatriate their profits

Golden visa for investors
An investor in an investment fund is granted a Golden Visa for a period of (10) years without a sponsor if that person meets certain requirements.

Ease of commissioning professionals
The UAE is looking for skilled workers, human capital and talented professionals in vital and economic sectors, due to its flexible labor policies and ease of attracting foreign labor.

Low customs tariffs
Low customs tariffs have contributed to cementing the status of the UAE as a trade hub. Government tariffs in the country range from 0% to 5%.

Source: moec.gov.ae

Ensuring macroeconomic stability is a cornerstone of government policies. Large-scale investments in infrastructure and service development, alongside a sustained economic diversification process, have helped the country to sustain global inflation over the last two decades.

4.1.2.3 Potential challenges

While the UAE stands as a leading business hub and open market in the Middle East, exporters and foreign companies encounter challenges when conducting business in the country.

Payment delays and issues

- Scams and frauds frequently target foreign companies, especially small and medium sized enterprises
- Non-transparent tendering processes
- Lack of a unified government tender online platform.
- Problematic commercial agent agreement termination rules.
- Lengthy and complicated dispute resolution processes.
- Onerous national workforce development requirements.

Persistent late payments pose a continuous challenge, particularly in public-sector procurements. Experienced companies dealing with government procurement indicate that they have held government receivables for extended periods. Companies should diligently conduct due diligence, carefully evaluate payment terms, and leverage resources such as the Export-Import Bank, letters of credit, or payment before shipment.

4.1.3 Qatar

4.1.3.1 Overview of Investment Climate

While the government maintains a dominant role in the economy, it actively promotes private investment across multiple sectors and endeavors to foster increased foreign direct investment (FDI). The energy sector serves as the primary driver of Qatar's economy, drawing in substantial FDI amounting to tens of billions of dollars. In alignment with the objectives outlined in Qatar's National Vision 2030 to establish a diversified and knowledge-based economy, the Government of Qatar (GoQ) has recently implemented reforms to its laws governing foreign investment and foreign ownership of property. This new legislation permits up to 100 percent foreign ownership of businesses in most sectors and real estate in newly designated areas. Additionally, in 2020, the government passed legislation to regulate and promote public-private partnerships.

Opportunities for foreign investment are significant in infrastructure, healthcare, education, tourism, energy, information and communications technology, and the service sector. In 2022, the government earmarked US$20 billion for major projects within these sectors. Judged by the volume of inward FDI stock, manufacturing, mining and quarrying, finance, and insurance are the primary sectors that attract foreign investors. The government offers various incentives to attract both local and foreign investments, including exemptions from customs duties and specific land-use benefits. Most sectors are subject to a corporate tax rate of 10 percent, and there is no personal income tax. Notably, foreign firms operating in extractive industries, such as natural gas extraction, are subject to a corporate tax of 35 percent

4.1.3.2 Government Initiatives

Qatar's economic transformation hinges on its government's strategic vision and the Qatar Investment Authority (QIA). Aware of finite oil and gas reserves, Qatar pursued diversification for future prosperity. This vision propelled the QIA into a global investment powerhouse.

- Qatar's tax system, ranked as the world's third least burdensome, follows international standards through two main entities: the General Tax Authority (GTA) and the Qatar Financial Centre (QFC) Tax Authority. QFC taxation applies to QFC-licensed firms, while other businesses in Qatar fall under GTA's jurisdiction.

- Under Qatar's tax regime, firms follow International Financial Reporting Standards (IFRS). QFC tax regime applies multiple frameworks like IFRS, US GAAP, UK GAAP, and AAOIFI standards. Financial statements for both regimes must be in Arabic since January 1, 2020.

- Qatar offers numerous investment incentives such as low utility rates, nominal lease fees for industrial land, import tax exemptions on machinery, spare parts, and raw materials, unrestricted imports, no currency exchange restrictions, and flexible regulations for importing skilled and unskilled labor.

- Strategic investment programs: The Qatar Investment Authority (QIA) spearheads global investments, while the Qatar Development Bank (QDB) supports and fosters local SMEs. Free zones offer tax benefits and streamlined regulations for specific industries, and public-private partnerships (PPPs) attract private sector involvement in infrastructure and other projects.

Potential Challenges

Bureaucracy and Administrative Processes: Like many nations, Qatar encounters bureaucratic hurdles and administrative procedures that can impede the business setup process. Successfully navigating government regulations and securing necessary permits and licenses may demand patience and persistence.

Cultural Differences: Conducting business in Qatar necessitates an understanding of local customs, traditions, and business practices. Establishing relationships and building trust with Qatari partners and clients may take time and cultural sensitivity.

Workforce Considerations: While Qatar provides access to a skilled and diverse workforce, businesses may encounter challenges related to labor regulations, recruitment, and workforce localization requirements. Adhering to labor laws and ensuring compliance with regulations is crucial for achieving business success..

4.1.4 Kuwait

4.1.4.1 Overview of the Investment Climate

Kuwait's 'Vision 2035' aims to turn the nation into a global trade hub and diversify its oil-centric economy, with plans to enhance private sector participation and invest in infrastructure. The Northern Gateway initiative could attract over US$ 400 billion in public and private investments.

Kuwait has upcoming public-private partnerships in power, water management, and renewable energy. Recent billion-dollar hospitals seek foreign investment for operation and equipment. The 2013 foreign direct investment law allows up to 100 percent foreign ownership with KDIPA approval. KDIPA prioritizes local job creation, technology transfer, and support for SMEs when approving applications.

Kuwait has made significant progress in safeguarding intellectual property rights. The enactment of Kuwait's Copyright Law in 2019 addressed significant concerns regarding the country's intellectual property protection regime. Kuwait, with a population of 1.53 million citizens and 3.29 million expatriates as of 2023, is a major oil exporter, possessing ~6% of the world's proven oil reserves. The country's economy strongly relies on oil production and related industries, which are predominantly owned and operated by the government. The energy sector contributes over half of Kuwait's GDP and nearly 90% of government revenue.

In 2017, the Kuwaiti government introduced a new development plan called "Kuwait Vision 2035" with the aim of transforming the country into a prominent regional trade and investment centre while diversifying the economy away from its substantial reliance on oil. However, Kuwait has faced challenges in meeting its development goals, resulting in the cancellation or postponement of several major infrastructure projects. The decline in oil prices in 2019, following Organization of the Petroleum Exporting Countries' (OPEC) failure to reach a consensus on production targets, coupled with the global reduction in oil demand due to the COVID-19 pandemic in 2020, significantly impacted Kuwait's fiscal deficit. However, the recent surge in oil prices since second quarter of 2021 has allowed Kuwait to substantially reduce its deficit from ~US$ 17.7 billion in March 2021 to ~US$ 1.3 billion in January 2022. Although the improved financial situation has alleviated some pressure on the country's finances, it has also dampened the urgency for economic and business reforms necessary for Kuwait to realize its vision of becoming an investment hub as outlined in New Kuwait Vision 2035. The recent recovery in oil prices has positively impacted the 2022-2023 budget, enabling Kuwait to achieve its first budget surplus in ten years. This financial improvement presents an opportunity to potentially revive and resume many of the key infrastructure projects outlined in Vision 2035. The successful implementation of these reforms will determine whether the current financial windfall can pave the way for a sustainable economic future in Kuwait.

Kuwait's government faces two key challenges in diversifying the economy away from oil dependence: improving the business climate for the private sector and encouraging citizens to work in it. Political tensions, bureaucratic inefficiency, legal inconsistencies, and restrictive economic policies hinder outside investment. With over 85 percent of Kuwaitis employed in the public sector, efforts to promote private sector careers require shifting social attitudes and enhancing local education to enable Kuwaiti businesses to compete globally beyond fossil fuels.

4.1.4.2 Government initiatives

Kuwait has been enhancing its Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) framework, yet substantial endeavors are required to guarantee its efficient execution.

The Central Bank of Kuwait (CBK) adjusts the discount rate and deploys timely measures to support the liquidity of the financial system. In July 2023, the CBK announced its decision to increase the discount rate from 4.0 percent to 4.25 percent, effective July 27, 2023. This step was in line with the CBK's objectives of ensuring monetary and financial stability, promoting economic growth in multiple sectors, particularly non-oil industries, managing local inflationary pressures, and preserving the competitiveness and desirability of the national currency as a reliable medium for domestic savings. By raising the discount rate, the CBK aimed to balance stimulating economic activity and containing inflationary pressures. The measure was part of the bank's ongoing efforts to develop a conducive environment for sustainable economic growth and to support the development of a robust and diversified economy in Kuwait.

CBK formed guidelines on sustainable financing, and environmental, social, and corporate governance (ESG) standards in line with the principles of the Bank for International Settlements for efficient management and control of climate-related financial risks.

In March 2022, the Government of Kuwait established the Disciplinary Board under the Competition Protection Agency to handle business complaints regarding fair competition.

The Government of Kuwait enacted the new Bankruptcy Law in 2020 to provide insolvency related protection for corporates.

The government further plans to develop and implement a medium-term fiscal framework to support long-term reforms.

4.1.4.3 Potential challenges

In terms of ease of doing business, Kuwait typically falls within the middle range globally. The state's economic development direction remains ambiguous, fostering uncertainty regarding the long-term prospects and risks associated with investing in Kuwait.

In 2022, Kuwait's external position was not as robust as suggested by fundamentals and optimal policies. Nonetheless, Kuwait maintains a solid external position supported by substantial oil export revenues, resulting in a significant current account surplus and a strong net foreign asset position.

Kuwait struggles to attract FDI. For instance, in 2022, it attracted just US$758m in FDI inflows, according to the World Investment Report 2023, commissioned by UNCTAD. But this FDI has not translated into inflows. FDI flows are both limited and declining in Kuwait, possessing a significant challenges for investment opportunities

Kuwait's complex business environment requires flexibility, patience, and persistence. Many investors in Kuwait face challenges such as inconsistent and sometimes contradictory policies, lack of transparency in decision-making, reversal of tenders, and a judiciary that heavily favors the local population. The hidden costs of delayed contracts and prolonged negotiations have added to the cost of doing business.

4.1.5 Oman

4.1.5.1 Overview of Investment Climate

Positioned at the crossroads of the Arabian Peninsula, East Africa, and South Asia, Oman's strategic location and close proximity to thriving regional markets make it an enticing prospect for foreign investors. The focal points for investment opportunities lie within Oman's port expansions and free trade zones, particularly exemplified in Duqm, where the government envisions a sprawling 2,000 sq kms free trade zone and logistics hub. Embracing a foreign policy of "friends to all, enemies to none," Oman stands insulated from the external security challenges confronting its neighbors. Furthermore, the nation boasts a stable domestic political environment.

Renowned for its business -friendly environment, Oman is recognized by the World Bank as a highly cost-effective destination for business ventures. Its industrial estates, free trade zones, and technology parks serve as vibrant centers for innovation and investment, fostering growth and development.

In pursuit of Oman Vision 2040, the nation is committed to aligning financial policies with the imperatives of economic expansion, ensuring sustainable growth while concurrently meeting socio-economic objectives. Paramount among these objectives is the encouragement of private sector participation, the attraction of investments, and the cultivation of talent. Leveraging its abundant natural resources, including oil, gas, minerals, metals, and seafood, Oman maintains a dependable supply of raw materials. Supported by its strategic geographical location and robust logistical network, the nation is well-positioned to meet additional resource requirements. Moreover, exemptions from import charges on production inputs and machinery contribute to maintaining competitive production costs.

4.1.5.2 Government initiatives

The Oman government is implementing new initiatives to foster investment. These include income tax cuts for SMEs, granting long-term residency permits for foreign investors, and streamlining commercial procedures. Oman's "In-Country Value" (ICV) policy encourages companies, local and foreign, to source goods and services locally and train Omani employees. ICV support is considered in government tender awards across sectors, not just oil and gas.

Oman is actively attracting foreign direct investment by enhancing its regulatory framework. The Foreign Capital Investment Law (FCIL) permits 100% foreign ownership in most sectors and eliminates the minimum capital requirement, creating an open market for all foreign investors in Oman.

In March 2022, the Muscat Stock Exchange (MSE) abolished restrictions on foreign ownership of listed companies, creating opportunities for more than 100 local firms. The Sultanate also plans to identify ~35 state-owned companies over the next 5 years to attract more investments. The move is expected to enhance market liquidity, thereby attracting investments and boosting valuations. It is also anticipated to provide easier access to companies seeking capital market funding.

The Sultanate of Oman took steps to ease the digital licensing processes and improve transparency and data disclosure. In December 2021, the Ministry of Commerce, Industry, and Investment Promotion (MoCIIP) launched the Invest-Easy Portal to offer simplified electronic licensing services. The portal was developed for companies governed by the FCIL and aimed to consolidate the Sultanate's competitiveness and streamline procedures. The portal is also expected to establish a digital database to identify and list foreign investments in Oman. This platform, aligned with the national e-Transformation strategy, has facilitated over 286,000 licenses, including 38,000 for foreign investors.

In March 2021, new tax incentives were announced for diversifying the economy of Oman and negating the effects of the economic slowdown, primarily caused by the COVID-19 pandemic. Companies that began operating between January 2021 and December 2022, operating under the sectors aimed at economic diversification, were granted income tax exemption for five years from the date of registration. Incentives related to the payment of income tax and indefinite carry-forward for declared tax losses were also granted. The rates of income tax for small and medium enterprises (SMEs) were reduced from 15% to 12% in 2020 and 2021.

In July 2020, the new bankruptcy law was brought into effect in Oman, establishing a transparent, inclusive, and progressive framework for regulating bankruptcies and liquidations for individuals and legal entities. This new law supported a "Restructuring Plan" and procedures to aid businesses in overcoming the debt stage, reaching a compromise with debtors, and avoiding bankruptcy. It notably helped boost investors' confidence.

4.1.5.3 Potential challenges

The cost of conducting business in Oman is influenced by various factors. Some such factors are:

- The government's focus on fiscal restraint and reducing public debt has had an impact on government-funded projects.
- Tenders may have onerous terms and conditions. Local manufacturing and sourcing requirements may be mandated by the government, potentially excluding foreign companies from certain tenders.
- Transparency in government tendering processes can be limited, and company registration processes, particularly for consulting firms, may be slow.
- Business operations in Oman can be hindered by bureaucratic hurdles, such as the process of obtaining Ministry of Labor clearances for visas and permits for foreign workers. It is important to note that expatriate women are generally not granted work visas in most business sectors.
- There is a lack of clear distinction between the government and private sector, which has led to concerns regarding unfair competition.

4.1.6 Bahrain

4.1.6.1 Overview of Investment Climate

Bahrain stands out as one of the most open nations in the Middle East and North Africa (MENA) region. It offers several advantages, including multiple free trade agreements, well-developed infrastructure, and robust financial institutions. These factors position Bahrain as an attractive destination for traders and investors, granting them access to both regional and international markets. The Heritage Foundation's 2022 Index of Economic Freedom ranked Bahrain as the world's 74th freest economy. Among the Gulf Cooperation Council (GCC) member states, Bahrain trails only Qatar and the United Arab Emirates in terms of economic freedom.

Bahrain's Vision 2030 aims to safeguard the environment, cut carbon emissions, curb pollution, and advance sustainable energy practices. Overseen by the Sustainable Energy Authority (SEA) under the Ministry of Electricity and Water Affairs, policies prioritize energy efficiency and renewable technologies. Endorsed by the Cabinet and overseen by SEA, the National Energy Efficiency Action Plan (NEEAP) and National Renewable Energy Action Plan (NREAP) target 6% and 5% energy efficiency by 2025, respectively, with the NREAP aiming for 10% by 2035.

Bahrain's total foreign direct investment (FDI) stock reached US$ 32.2 billion in 2022, up from US$ 30.3 billion in 2021 as per US Department of State. Annual FDI inflows rose from US$ 1.75 billion in 2021 to US$ 1.9 billion in 2022. The financial services, manufacturing, logistics, education, healthcare, real estate, tourism, and ICT sectors have attracted the majority of Bahrain's FDI.

4.1.6.2 Government initiatives

In the majority of sectors, Bahrain allows 100% foreign ownership of businesses or branch offices, eliminating the requirement for a local partner.

- In **2017**, the government expanded sectors open to full foreign ownership to include tourism, sports events, mining, real estate, water distribution, transportation, and agriculture. In May 2019, restrictions on foreign ownership in oil and gas projects were relaxed. Furthermore, Bahrain does not impose taxes on corporate income, personal income, wealth, capital gains, withholding, or death/inheritance. The country also has no restrictions on the repatriation of capital, profits, or dividends.

- In **April 2023**, Bahrain announced the launch of a Golden License, aimed to attract major companies to invest in the Gulf nation, by providing incentives and streamlined services to these businesses. Golden licensed companies will have added advantage of perks and privileges unavailable to others including prioritized allocation of land for investment and access to infrastructure services and utilities.

- Bahrain's government pioneers' economic growth through cutting-edge digital solutions. The Al-Tajer App facilitates essential business transactions, while the Commercial Registration System (Sijilat) simplifies project establishment, attracting local and international investors.

- Government of Bahrain (GOB) focus on encouraging foreign direct investment (FDI) in the tourism, information and communications technology (ICT), manufacturing, logistics, financial services, health, and education sectors.

4.1.6.3 Potential challenges

The labor force in Bahrain follows a "Bahrainization" quota system, which mandates that employers hire a minimum percentage of Bahraini nationals. This policy occasionally leads to delays and confusion when obtaining or renewing work permits. In 2019, Bahrain launched the National Employment Program (NEP), which prioritizes employment opportunities for Bahrainis and increases work permit fees for foreigners. The current edition of the program was announced in July 2023 and covers the period from 2023 to 2026.

Many significant infrastructure projects in Bahrain receive funding from wealthier Gulf Cooperation Council (GCC) neighbors. While these projects are tendered through the Bahrain Tender Board, the final award decisions are made by the funding country, which may override the recommendations of the Tender Board and require the selection of a GCC registered company.

Since 2019, the reduction in electricity subsidies and limited access to financing from local banks have notably raised the cost of doing business for small and medium-sized enterprises in Bahrain. Also, there are concerns about certain laws and changes in Bahrain's business regulatory environment, including requirements for commercial registration, quality standards, and import restrictions, which have posed obstacles to export activities and operations within the country.

4.1.7 Switzerland

4.1.7.1 Overview of Investment Climate

Switzerland is home to a diverse population of 8.8 million people, with nearly 25% being foreign nationals. It has been credited by the World Intellectual Property Organization (WIPO) as the most innovative country globally, with a high percentage of GDP dedicated to research and development. These factors position Switzerland as a leading player in global trade and investment. Switzerland has a highly automated and efficient manufacturing sector, producing and consuming high-quality industrial and consumer goods. There is a formidable market demand for quality products that are available at competitive prices. Additionally, Switzerland is renowned for its top-tier pharmaceutical and financial industries.

Many international companies choose Switzerland as the location for their European or regional headquarters owing to its exceptional infrastructure, business-friendly regulatory and legal environment, modest corporate tax rates, and highly skilled workforce. The Swiss government recognizes a wide range of apprenticeships, federal vocational exams, and college degree programs that aid in cultivating a reliable, flexible, and well-educated workforce. Although Switzerland's multilingual and multicultural population can present challenges while framing business and marketing strategies, the country can be a potential test market to determine the export viability of products.

Following the conflict between Russia with Ukraine, Switzerland's average annual inflation rate reached 2.8% in 2022, which was 0.6% in 2021. Nevertheless, utility prices were moderately affected as Switzerland relies heavily on hydro and nuclear power rather than fossil fuels; also, the strength of the Swiss currency helped to mitigate import prices for commodities such as fertilizer and fuels. Thus, the Swiss economy experienced a less adverse impact from the Russia-Ukraine war compared to other European countries.

4.1.7.2 Government Initiatives

Switzerland's cantons have historically used financial incentives to attract investment, with some cantons waiving taxes for new firms for up to ten years. However, this approach changed with the introduction of the "Tax Reform and AHV Financing" (TRAF) measures by the Federal Council in May 2019, which came into effect on January 1, 2020. TRAF aims to create an internationally compliant and competitive tax system. It requires Swiss cantons to offer the same corporate tax rates to both foreign and Swiss companies while allowing them to set their own cantonal rates and provide incentives for corporate investment, such as deductions and preferential tax treatment for specific types of income or expenses like patents and research and development.

Switzerland does not mandate local employment, but work permits are required for foreign nationals. Citizens of the European Union/European Free Trade Association (EU/EFTA) area can benefit from the EU Free Movement of Persons Agreement, while permits for individuals from non-EU/EFTA countries, including citizens from GCC, are limited to highly qualified personnel. There are no "forced localization" laws in Switzerland that require foreign investors to use domestic content in goods or technology. In a court decision in June 2017, the Swiss state-owned enterprise involved in a bidding process for services related to the government's critical infrastructure was favored by the court's ruling.

In January 2023, Switzerland implemented national security regulations for telecommunications networks. Mobile operators are accountable for network security and are required to ensure that security-critical telecommunications equipment complies with recognized international standards. Additionally, Switzerland has stringent privacy laws, and certain data is considered personal and subject to protection. The collection of certain data may require registration with the office of the Federal Data Protection and Information Commissioner. Some foreign companies choose to establish data centers in Switzerland due to its strict privacy rules and neutrality.

The Swiss government aims to generate favorable conditions for Switzerland to become a leading location for distributed ledger technology (DLT) and fintech companies while maintaining anti-money laundering (AML) controls. The "Blockchain Act" introduced company law reforms in February 2021, and legislation on financial market infrastructure upgrades came into force in August 2021. These developments enable a fully regulated cryptocurrency and digital securities industry in Switzerland. Numerous companies in Switzerland can now create and list DLT-compatible digital securities. In September 2021, Switzerland issued its first license to ease the trading of digital securities in the form of tokens and their unified settlement, authorizing SIX Digital Exchange AG as a central securities depository and SDX Trading AG as a stock exchange.

Switzerland has endorsed several nonbinding agreements that establish guidelines and best practices for corporations. These agreements include the International Code of Conduct (ICoC) for Private Security Service Providers and the Voluntary Principles on Security and Human Rights. Additionally, Switzerland is a signatory state of the Montreux Document, which outlines the responsibilities of states under international law concerning the operations of private military and security companies.

4.1.7.3 Potential Challenges

The Swiss market is known for its sophistication, quality-consciousness, and competitiveness. Swiss consumers often prefer to purchase domestic products and brands that are associated with high quality, even if they come at a higher price compared to foreign alternatives. This preference is particularly evident in the agricultural sector, making it challenging for foreign agricultural products to compete in the Swiss market. To protect domestic farmers, the Swiss government imposes high tariffs on agricultural goods, such as meat and dairy. In contrast, tariffs on non-agricultural goods are significantly lower and were abolished in January 2024, following amendments to the Customs Tariff Act. The change removed tariffs on all industrial imports, while keeping agricultural tariffs unchanged. Switzerland has generally aligned its regulations and standards with those of the European Union, with some exceptions in areas such as pharmaceuticals, detergents, and chemicals.

Switzerland has implemented stringent regulations for agricultural biotechnology products. Before biotech food or animal feed products can be imported and sold in the Swiss market, they must undergo a thorough approval process. Furthermore, products that contain biotech ingredients, or are derived from such ingredients, are required to be labeled accordingly. Currently, there is a moratorium on the commercial cultivation of biotechnology crops and the marketing of agricultural biotechnology animals. This moratorium is set to remain in place until the end of 2025, following its renewal in 2022. It's important to note that the moratorium does not restrict research activities in this field.

Certain sectors in Switzerland are characterized by state or cantonal monopolies. Examples include longdistance rail transportation, certain types of property insurance, the delivery of letters weighing up to 50 grams, and the production and importation of salt. However, Switzerland has been witnessing a growing trend towards liberalization, which has led to the removal of many barriers to competition in industries such as automotive, electrical, telecommunications, and postal services.

The corporate tax rate, including federal, cantonal, and communal taxes, ranges from 11.9% to 21.0%. Under TRAF, effective tax rates in most cantons are 12% to 15%. The enactment of the OECD/G20 corporate global minimum tax rate of 15%, in January 2024, reduced Switzerland's relative tax advantage. The Swiss government estimates that around 3,000 to 4,000 companies based in Switzerland, including 250 Swiss-owned companies, will be affected. Thus, certain Swiss cantons are under pressure to raise their corporate tax rates.

Switzerland offers a stable and reputable banking system, but opening an account as a foreigner involves additional considerations compared to residents. This is due to Switzerland's strict adherence to Know Your Customer (KYC) and Anti-Money Laundering (AML) regulations, which ensure the highest levels of financial transparency.

Additionally, foreign residents in Switzerland may also face obstacles when seeking a mortgage. Obtaining a mortgage in Switzerland may be contingent on the applicant's ability to obtain a life insurance policy. However, foreign citizens have reported that insurance companies scrutinize applications involving foreigners in great detail due to potential liabilities. This places additional burdens on mortgage lenders, leading them to either refuse mortgage services to foreign citizens or offer them at significantly higher interest rates.

4.1.8 Exploring Opportunities Between GCC and Switzerland

- Real Estate
- Telecommunications and Data Infrastructure
- Tourism
- Logistics
- Cybersecurity
- Infrastructure
- Clean Energy

- Switzerland and Saudi Arabia
- Switzerland and UAE
- Switzerland and Qatar
- Switzerland and Kuwait
- Switzerland and Oman
- Switzerland and Bahrain

4.1.8.1 Real Estate

The real estate sector in the GCC is growing at a significant pace. Since the GCC nations seek diversification of their country's income source, they have also shown a keen focus on the real-estate sector. Unlike Switzerland, the oil & gas sector is presently the major contributor to the GDP of the GCC, and the region emphasizes on reducing its share in the sectoral composition of the economy. Most GCC countries have devised a long-term vision plan to guide the growth of diverse sectors. Such plans subsequently encourage the progress of the real-estate sector as its growth positively impacts the associated upstream and downstream industries.

All the GCC countries have initiated several large real-estate projects, ranging from commercial buildings to residential townships. Most GCC countries also have strong balance sheets, healthy funding, and stable earnings profiles, which aid them to undertake such projects. However, global macroeconomic factors are expected to create some downturns in the real estate sectors' growth in 2024.

Despite the current upward trend in interest rates, the residential property market in Switzerland has remained remarkably stable. However, there are indications that this sustained price increase may undergo a change in the future. Several factors contribute to this shift. Firstly, there has been a slight increase in the number of properties being advertised. It is important to note that this increase is not a result of heightened construction activity, but rather a decrease in demand for residential properties. Although the Swiss National Bank is expected to raise interest rates further, this does not fundamentally alter the situation.

Switzerland, especially during times of uncertainty, continues to experience a high demand for residential properties and remains a desirable place to live. This demand is supported by increased immigration, a consequent rise in property demand, lower inflation levels compared to neighboring countries, and limited availability of land for new construction. The transaction prices for residential properties have seen a steady year-on-year increase, with detached homes experiencing an even higher rise. These price increases indicate a growing willingness among buyers to pay more for residential properties, particularly in certain regions where the increase has been significant.

Thus, such increasing focus on the real-estate sector, stable oil prices, strong economic indicators, and supportive government policies, the GCC real estate sector is set for growth in the first half of 2024. Investors and stakeholders in the region can anticipate increased activity and opportunities in the coming months.

Switzerland and Saudi Arabia

Both countries increasingly focus on transforming the real-estate scenario in their respective cities by significantly investing in residential and commercial infrastructure. This common focus offers great collaboration opportunities for both, to develop infrastructure. In Saudi Arabia, the real estate market is witnessing a strong presence of multifamily properties and neighborhood retail, which aligns with the prevailing global trends. However, the future of office spaces in major cities like Riyadh and Jeddah remains uncertain due to the evolving demands resulting from remote working trends and evolving business models. With Saudi Arabia's economy undergoing diversification as part of Vision 2030, the commercial real estate sector needs to adjust to these changing dynamics. This entails exploring inventive financing approaches, adopting technological advancements in property management (Proptech), and prioritizing sustainable development practices. Swiss companies can collaborate with Saudi Arabian companies on such construction and proptech projects. Cityscape Global an event held in Riyadh on September 2023. The event offered a unique opportunity for companies from around the world to showcase their flagship projects due to which Saudi Arabia's realty sector is expected to witness large-scale property development and a transformation in civic infrastructure. For instance, Umm Al-Qura for Development and Construction, the owner and developer of the “Masar” destination in Makkah, signed a partnership agreement with the International Hospitality Group to develop and operate the Swiss Inn Hotel, a five-star category hotel for SR800 million.

Switzerland and UAE

Both the countries have a history of collaboration, for developing real estate projects. In January 2024, UAE-based real estate developer MAG announced its first international expansion with a new project in Switzerland. The project, called Stabio Garden Living by Keturah, is being developed in partnership with real estate design and development firm A++ Group. The project is valued at ~US$ 210 million and marks MAG's entry into the Swiss market. In August 2023, Swiss watch brand Franck Muller entered Dubai's offplan property market, and launched 450m high tower in Dubai Marina. According to the International Trade Administration (ITA), the construction sector in the UAE is expected to witness good recovery rates till 2027, and valuation would increase by 3.7-4.7%. Considering the growth projections, collaborations in line with the above examples, can aid both the nations tremendously in the future.

Switzerland and Qatar

Since its recovery period, the economy of Qatar has experienced a significant surge in the region, characterized by a high GDP growth and an influx of population. This growth has been facilitated by job opportunities and supportive government legislation, which have had a positive impact on Qatar's residential real estate market. The high wealth of both local and expatriate inhabitants has greatly influenced the construction industry, leading to an increased demand for well-designed and luxurious residential areas. The country's growth rate, coupled with a consistent supply of expatriate workers, is expected to generate even more demand in the medium to long term. In response to the growing development activity in the market, the government has implemented a series of "legislative revisions" aimed at safeguarding the rights of residential building investors. Such factors offer great investment opportunities for the Swiss real estate companies.

In February 2024, Switzerland explored co-operation with Qatar on infrastructure development, fintech and new technologies: Under this, major infrastructure investment projects are being planned or implemented, and Swiss technology and expertise are in demand in Qatar. This will provide opportunities for the Qatar infrastructure sector.

Switzerland and Kuwait

Amid the dynamic changes in the real estate investment sector in Kuwait, investment platforms remain a significant channel for outbound capital from the region. Many of these investment groups have a relatively lower allocation to real estate assets and are actively seeking opportunities to allocate their capital effectively. As the investment landscape evolves, these platforms are under pressure to identify suitable investment avenues within the real estate sector. This includes exploring potential opportunities to deploy their capital in order to optimize returns and diversify their investment portfolios. The search for attractive real estate investment opportunities is driven by the desire to achieve strategic investment objectives while adapting to the changing market dynamics. Given the importance of real estate as an asset class, these investment platforms are actively exploring various avenues to deploy their capital efficiently and maximize returns within the evolving real estate investment landscape. It thus offers collaboration opportunities between the two countries.

Switzerland and Oman

Real estate plays a crucial role in Oman's economy, providing abundant employment opportunities. The housing sector is essential for accommodating the growing population, generating tax revenue, attracting foreign investment, and supporting various industries. To support the sector, the Omani government has implemented streamlined laws, made substantial infrastructure investments, and focused on job creation. The rapid growth in population is driving the demand for housing, particularly among the expanding middle class and urban residents. This, in turn, is fueling significant growth in Oman's real estate market.

Oman's growing economy and business-friendly environment make it an attractive destination for commercial real estate investment as well. The country offers enticing incentives for real estate investors, such as tax-free land allocation, minimal administrative hurdles, and special economic zones that allow foreign ownership, profit repatriation, and customs exemptions. These incentives create an investor-friendly environment that appeals to both local and foreign investors. Overall, Oman's real estate market provides excellent collaboration opportunities for Swiss companies, given the favorable investment climate and attractive incentives offered by the country.

Switzerland and Bahrain

Bahrain formed the Real Estate Regulatory Authority (RERA) through the issuance of Royal Decree 69/2017. RERA plays a pivotal role in ensuring that the real estate industry operates in line with international best practices. It is responsible for delivering professional services that are both cost-effective and transparent. The introduction of regulatory clarity by RERA has created a favorable environment for the utilization and development of new technologies in the real estate industry. RERA's efforts have also enhanced investor confidence within the region and have aligned with the Kingdom's initiatives to attract private investment into the property market. It thus offers a favorable opportunity for investment in the real-estate sector. Further, in March 2024, Swiss conglomerate Interlink Metals & Chemicals, through its subsidiary Bahrain Titanium, announced development of a US$200 million titanium manufacturing plant in Askar, on the island nation's southeastern coast.

Despite the presence of global economic uncertainties and an increase in interest rates, Bahrain's real estate market continues to demonstrate a moderate performance, primarily due to favorable economic legislation. These legislative measures include the implementation of the foreign ownership law in 2016, the establishment of 10 freehold zones, and the introduction of the Golden Residency Visa in 2022, which provides long-term residency benefits. Villa developments have consistently maintained their popularity, with average sales prices in the mid-end segments remaining stable over the past 12 months. Hence, Swiss companies can explore to invest in developing luxury and serviced apartments.

4.1.8.2 Telecommunications and Data Infrastructure

Switzerland boasts extensive telecommunication facilities that encompass the telephone system, internet services, and broadcast media. According to the National Consumer Price Index from the Federal Statistical Office (FSO), telecommunications services in Switzerland experienced an overall decrease of 0.7% in 2022. While mobile telephone communications witnessed a 1.3% increase, combined fixed-line and mobile services saw a decline of 2.2% during the same period. Swiss organizations generate an ever-increasing volume of data that requires secure and reliable storage. Switzerland has emerged as a global hub for the storage of sensitive data, and the market is experiencing rapid growth. Major players like Microsoft, Oracle, and Google have established data centers in the country, contributing to dynamic changes and potential consolidation within the sector.

Switzerland possesses several advantages that make it an ideal location for building data centers. It is strategically positioned at the center of Europe, offering a politically stable environment, a secure power supply, robust connectivity, and a reputation for technical innovation. Alongside global players such as Equinix and Colt Technology, Switzerland is home to several strong independent operators. The success of privately-owned operators like Safehost and Brainserve exemplifies the high demand for top-quality data centers in the country. GCC nations have the opportunity to invest in Switzerland's thriving data center industry, thereby gaining valuable exposure to this sector. Switzerland's favorable business environment and the growing demand for data storage make it an attractive destination for GCC-based companies seeking to capitalize on the data center market.

Switzerland and Saudi Arabia

With a market value exceeding US$ 40.9 billion and contributing 4.1% to the Kingdom's GDP, Saudi Arabia's Information and Communications Technology (ICT) market stands as the largest and fastest growing in the Middle East and North Africa region. It is poised to become a prominent technology service and cloud hub, benefitting from its strategic access to international connectivity through the Red Sea and the Gulf. This advantageous position positions Saudi Arabia to cater to the European, Asian, and African markets. The country actively promotes the adoption of cloud computing, with an estimated annual expenditure of US$ 2.5 billion on public cloud services by 2026, projected to grow at a CAGR of 25%, according to the ITA.

In May 2023, the Economic Cities and Special Zones Authority unveiled the Cloud Computing Special Economic Zone, marking one of the first initiatives of its kind in the region. This special zone offers cloud service providers the flexibility to establish data centers across Saudi Arabia and deliver various cloud computing services from within the zone. Furthermore, Saudi Arabia has mandated government entities to prioritize cloud-based solutions, exemplified by the introduction of its Cloud First Policy in 2019. This policy underscores the government's commitment to driving widespread cloud adoption across both public and private sectors.

In July 2021, the Ministry of Communications and Information Technology (MCIT) launched an ambitious US$ 18 billion plan to establish a network of large-scale data centers throughout Saudi Arabia. The objective of this initiative is to transform the country into the primary data center hub for the region. To achieve this goal, the government aims to collaborate closely with the private sector, including local and international investors. Saudi Arabia's strategic location also presents an opportunity for global cloud service providers (CSPs) to serve the Middle East and North Africa (MENA) region, further fostering potential collaborations with Swiss technology companies.

Switzerland and UAE

The UAE stands as one of the prominent data center hubs in the Middle East, and there are plans for further expansion in this sector. It is projected that up to $1 billion in additional investments will be made by 2026 to support this growth. ITA expects the UAE data center market to experience an average growth rate of ~3.5% between 2022 and 2027. The deployment of 5G services and the development of smart cities in the UAE is expected to cause an increase in data traffic, thereby driving the demand for more data centers in the country. The UAE has efficiently addressed variations in resources and expertise through highly specialized solutions for public cloud hosting.

The UAE's commitment to diversifying its economy and building a knowledge-based society has created new opportunities. The government has allocated significant portions of its budget to achieve its ambitious visions and plans. These efforts are aimed at fostering innovation, attracting investments, and positioning the UAE as a leader in the digital economy. The UAE's status as a data center hub, along with its focus on digital transformation and knowledge economy, presents potential collaboration opportunities for Swiss technology companies. The UAE's robust infrastructure and commitment to technological advancement make it an attractive market for businesses in the data center and related sectors for Swiss companies.

Switzerland and Qatar

The Qatar National Vision 2030 strategic document acknowledges the significance of leveraging information and communication technology (ICT) for economic development and the transition toward knowledge-based economies. Qatar has made notable strides in its endeavor to transform from an energy-based economy to a diversified, knowledge-based society. In recent years, the country has significantly invested in updating, expanding, and integrating its ICT infrastructure and capabilities, particularly in preparation for the 2022 FIFA World Cup. Qatar is emerging as a global leader in the adoption of new technologies, fostering innovation, and implementing system automation. The ICT sector holds a prominent position in the national agenda, contributing 1.9% to the GDP, as per the ITA. With the current estimated value of the ICT market at US$ 4.4 billion, it is expected to experience rapid growth in the future. This vibrant environment presents a lucrative opportunity for various Swiss businesses to enter and thrive in Qatar's ICT sector.

Switzerland and Kuwait

Kuwait's telecommunications industry is highly advanced, offering 5G services, fiber optic cabling, and satellite connectivity throughout the country. The IT service providers and application developers in Kuwait have reached a level of maturity. One rapidly growing sub-sector in the Kuwaiti tech market is cloud computing. However, in order to operate and provide services in Kuwait, cloud storage providers must obtain a license from Communication and Information Technology Regulatory Authority (CITRA). To be granted a license, providers must demonstrate that sensitive data remains within the country. Some providers choose to establish local data centers, while others opt for edge nodes at the endpoints of the national network.

The Central Agency for Information Technology (CAIT) is a key government organization responsible for procuring tech equipment and delivering technology training. CAIT plays a vital role in implementing e-government initiatives and technology projects throughout the government sector. By prioritizing the adoption of advanced technologies, CAIT aims to drive digital transformation and improve the overall effectiveness of government operations. The agency actively seeks high-quality technology solutions to enhance the efficiency and collaboration of the government workforce. Swiss technology providers can explore partnership opportunities CAIT and CITRA for supplying their solutions in Kuwait.

Switzerland and Oman

Oman is actively working on its ICT infrastructure to bridge the digital divide. The National Broadband Strategy aims to provide high-speed broadband service to 95% of the population by 2024. The Ministry of Transport, Communications, and Information Technology (MTCIT) oversees the government network and cloud, leading efforts to enhance e-government services. To support digital transformation, MTCIT launched a program in 2022 with a US$ 442 million investment to improve government e-services and digital infrastructure. This aligns with the Digital Oman Strategy, which has prompted businesses to embrace cloud computing, leading to opportunities for establishing data centers.

Oman Data Park, a joint venture between Omantel and a private sector company, exemplifies the growing commercial potential in data centers. The demand for cloud services and data centers is further fueled by the increasing growth of e-commerce. The government and private sectors are collaborating to meet these demands. In line with this, MTCIT signed a Memorandum of Understanding (MoU) with Amazon Web Services (AWS) in December 2022 to launch joint cloud data service centers. Oman also aims to develop a center of excellence focused on SME mentoring and support. The country is actively seeking partnerships with global technology organizations to achieve these goals. Such are the opportunities, relating to telecom and data infrastructure, for Swiss companies to invest in Oman.

Switzerland and Bahrain

Development of data centers offer lucrative opportunity for Swiss Companies to collaborate and invest in Bahrain. Since 2018, Bahrain has been home to AWS data center, marking it as the first of its kind in the Middle East. The Kingdom of Bahrain is actively transforming itself into a cloud computing hub, and in pursuit of this goal, it introduced innovative legislation in 2018 known as the 'Data Embassy Law.' This legislation enables foreign entities to store their data in data centers located in Bahrain, creating a concept referred to as a 'data embassy.' This groundbreaking approach blurs the traditional legal boundaries of national borders and sovereignty. The implementation of the Data Embassy Law allows consumers to securely store their information in data centers within the Kingdom of Bahrain while benefiting from the protection of domestic data protection laws that apply to their place of residence. This approach offers a revolutionary solution for data storage, ensuring that individuals and organizations can have peace of mind knowing that their data is governed by the appropriate data protection laws, even when stored in a foreign country.

In May 2023, Bahrain-headquartered technology group Beyon, has joined the SEA-ME-WE 6 (Southeast Asia - Middle East - Western Europe) consortium, which is building a 21,700 kilometre-long undersea telecommunications cable system connecting Bahrain with 14 other countries. The cable system, offering one of the lowest latencies available between the Middle East, Southeast Asia and Western Europe, will significantly boost Beyon's global network infrastructure.

4.1.8.3 Tourism

Switzerland is renowned for its awe-inspiring alpine landscapes, adorned with pristine lakes and charming towns. Travelers from around the globe flock to this relatively small European country to immerse themselves in its world-famous ski resorts, hiking trails, and natural wonders. With the aim of expanding its visitor base, particularly from GCC countries, Switzerland has developed comprehensive tourism strategies and launched the "Swisstainable" campaign. Swiss Tourism actively participates in prominent tourism events across the GCC region, showcasing the country's offerings and endeavoring to attract a greater number of tourists from this area. The GCC market holds significant importance for Switzerland, as visitors from these countries tend to be high-spenders and often opt for longer stays in the country. By focusing on strengthening ties with GCC tourists, Switzerland aims to enhance its tourism industry and foster lasting connections with visitors from the region.

Tourism has emerged as a promising avenue for economic diversification in the Gulf Cooperation Council (GCC) countries, catching the attention of policymakers. In the UAE, Dubai has emerged as the top destination for international travelers, with a strong focus on tourism. The city has set ambitious targets, aiming to attract 25 million visitors annually by 2025. Similarly, Abu Dhabi also has its sights set on its Tourism Strategy 2030, aiming to attract 23 million tourists annually by 2030, with a focus on leisure, MICE (Meetings, Incentives, Conferences and Exhibitions) events, and sports tourism. Both cities have prioritized travel safety and health measures, further enhancing their reputation in the tourism industry.

The Kingdom of Saudi Arabia is actively working towards expanding its tourism industry in various aspects, including religious, adventure, cultural, and traditional tourism. As part of its reform agenda, known as Saudi Arabia's Vision 2030, the country has set a target of attracting 100 million visitors by 2030. The goal for Saudi Arabia's travel and tourism sector is to contribute over 10% to the annual GDP by 2030. Moreover, the tourism ecosystem is expected to attract a total investment of USD 213 billion by 2030, aiming to create 1 million new jobs.

In GCC, Oman is experiencing large number of tourists visiting country as a sun and beaches destination for tourist visiting from Eastern European countries and other Asian countries. Apart from Europe, within MEA region, Oman is considered as beaches destination due to the availability of luxury sea resorts, less costly compared to European countries and easy travel visa facility.

Switzerland and Saudi Arabia

Saudi Arabia Tourism sector is contributing 4.4% in the overall GDP of the country. Further, the country has planned to increase number of tourists by 100 million by 2030 for which the country is taking various initiatives such as e-visa system for citizens of 49 countries, the opening of its UNESCO World Heritage sites, the construction of resorts on its Red Sea coast, and the launch of a cruise line. In 2020, the Saudi Ministry of Tourism invested up to US$ 4 billion into bolstering the tourism industry by launching the new Tourism Development Fund. The government is also working with private sector investors to capitalize on new growth opportunities over the coming years to improve tourism sector within the country. It offers collaboration opportunities for Swiss companies interested in investing in the sector.

The Kingdom's government is also working to transform Al Ula, a UNESCO world heritage site, into the cultural tourism destination along with offering recreational activities option such as sightseeing, hiking, camping, and other desert-friendly sports. Similarly, to attract large number of tourists, Qiddiya has been planned as largest entertainment city at global level to offer visitors more than 300 leisure and entertainment facilities, including a 20,000-seat clifftop stadium, motorsports facilities, the world's largest Six Flags theme park, a world-class waterpark, golf courses, cinemas, and a performing arts theatre. Qiddiya aims to attract over 14 million visitors per year

In February 2024, The Saudi Tourism Authority and Switzerland Tourism have signed a strategic memorandum of understanding. aimed at encouraging mutual promotion and collaborative tourism projects between Saudi Arabia and Switzerland. This aim is to boost the visibility and appeal of both Saudi and Switzerland as premier tourist destinations. The Saudi Tourism Authority and Switzerland Tourism will jointly organise events, exhibitions, and conferences in both nations providing growth opportunities.

Switzerland and UAE

The National Tourism Strategy 2031, is a cooperation between Ministry of Economy and various local and federal concerned entities and institutions, including the Ministry of Foreign Affairs and International Cooperation, the Federal Authority for Identity, Citizenship, Customs and Port Security, the UAE Central Bank, the General Civil Aviation Authority, the UAE airlines, the World Tourism Organisation, international companies and the Federal Competitiveness and Statistics Centre. The strategy includes 25 initiatives to promote tourism, building specialized tourism products, improving tourism capabilities and others. The tourism sector is helping economy to boost in UAE by supporting ~317,500 jobs in the country which is ~5.4 % of total employment. It is expected to rise by 2.4 % per annum to 410,000 jobs which would be ~5.9 % of total employment in 2027. UAE is also experiencing high growth in the adventure and sports related tourism activities due to the facilities and supporting climate in the countries. In Dubai, adventure sports such as Desert Safari, Mountain Climbing, Scuba Diving, Dune Bashing, Sand Skiing, Go Karting and other sporting activities are the major tourist attraction that are promoting adventure tourism in the country. Swiss companies thus have the option to explore and invest in a wide array of sub-sectors of the tourism industry in UAE.

Switzerland and Qatar

The Qatar National Tourism Sector Strategy 2030 strategy aims to improve tourism in the country with the enhancement in visa facilitation policies, offering various type of tourism opportunities, diversifying tourist accommodation options, streamlining regulatory policies. Qatar Tourism is collaborating with various entities to enhance the business environment, expand the country's tourism portfolio, and increase visitor traffic and spending. Qatar is determined to be recognized as a top leisure and meetings, incentives, conferences, and exhibitions (MICE) tourism destination. The country's tailored visitor offerings are highlighted through strong offline representation in Asia Pacific and European countries, as well as widespread marketing campaigns. To meet targets of tourism strategy, Qatar is inviting international investors to develop its tourism sector, opening investment opportunities for Swiss companies. To support foreign investments in the tourism sector, there is an Investment Promotions Unit which works to liaise between investors, local and international talent, as well as government authorities.

Switzerland and Kuwait

The Kuwaiti government has initiated large-scale projects aimed at transforming the country into a regional tourist hub. These projects encompass sports, entertainment, and leisure activities and are not only expected to benefit the local population but also attract tourists, particularly from the GCC region. Kuwait has announced a capital investment of US$ 830 million through the Kuwait Investment Authority to redevelop its tourism sector. The Tourism Enterprises Company (TEC) unveiled its plans to modernize and redevelop the existing tourism facilities. With the aim of providing new world-class experiences for visitors, the TEC's plans align with the New Kuwait 2035 vision. Such plans offer various collaboration and expansion opportunities for Swiss enterprises plying their trade in the tourism sector.

In May 2023, Kuwait announced plans to construct a tourist resort on Falaika Island with an estimated cost of KWD205m (US$ 676 m). The project will consist of various components, including a 250-room family resort, a 180-room luxury hotel, 150 chalets, rental spaces covering 5,000m2, a multi-purpose hall, sports facilities, retail outlets, recreation centres, a marina, and a public beach.

Switzerland and Oman

Increasing tourism earnings is one of the economic pillars of Oman's 2040 Economic Vision. Per the summary of meeting held between Oman's Ministry of Heritage & Tourism and EU on 27 October 2022, Oman plans to raise it to 5% by 2030 and 10% by 2040 from the 2.4% contribution the tourist sector made to the GDP in 2021. Oman is investing heavily in its tourism sector, with 12 integrated tourism complexes currently being implemented, including the Al Mouj project, Barr al Jissah Resort, and the Mandarin Oriental Residences. These complexes have a total investment value of ~US$ 8.0 billion, with ~US$ 2.77 billion to be invested in the 2021-2025 period. Additionally, preparations are underway for another package of integrated tourism complexes in Muscat, Musandam, and South Sharqiyah, of an estimated value of ~US$ 6.5 billion.

There are also qualitative and multi-use projects under development, including the Oman Botanic Garden, the Village Project, and the Salalah Gardens project. Furthermore, a number of projects are currently under plans at Hallaniyat and Dimaniyat Islands with an estimated investment cost of ~US$ 350 by 2025. The total investment in tourism projects in Oman is worth ~US$ 5.9 billion, with integrated tourism complexes representing the largest volume of investments at US$ 10 billion in 12 complexes.

In November 2023, The Ministry of Heritage and Tourism Oman signed an MoU with the Swiss Tourism Authority. It provides for enhancing cooperation and exchanging experiences and knowledge in the field of tourism.

In March 2024, Oman unveiled US$31 billion tourism investment plans under 'Vision 2040'

Switzerland and Bahrain

Bahrain has identified the tourism sector as a crucial driver of growth and diversification for its economy. Being the only island nation in the Middle East hosting major events such as the Formula 1 Bahrain Grand Prix, the country is in a prime position to draw tourist attention. The government has initiated several measures and projects, investing over US$ 10 billion in tourism infrastructure, including new hotels and museums. These initiatives aim to provide a robust foundation for public and private investments, enabling enhanced customer services and facilities to further support exploration and tourism in Bahrain. Such initiatives provide ample collaboration opportunities for Swiss companies planning to invest in this sector.

Moreover, several ambitious projects and enhancements such as the Bahrain Bay Beach project and Galali Seafront Project in Bahrain's tourism infrastructure are expected to significantly elevate the kingdom's appeal as a global travel destination.

4.1.8.4 Logistics

The logistics sector holds a significant position within Switzerland's employment landscape, employing over 250,000 individuals across a vast network of more than 13,500 companies. This dynamic industry is currently experiencing notable transformations driven by several factors. The escalating traffic density, the growing need for eco-friendly practices, and the rising expectations of customers collectively shape the current framework of the logistics sector in Switzerland. The volume of goods to be managed is substantial and continues to grow at an above-average pace. Nevertheless, Switzerland's robust infrastructure serves as the foundation for streamlined logistics operations and the efficient management of supply chains. This strong infrastructure enables the industry to meet the demands of an evolving market and ensures the smooth flow of goods throughout the country. Given GCC nations proximity to sea and being a gateway to Europe, Switzerland can collaborate with the GCC nations to further strengthen the logistics industry of the country.

Switzerland and Saudi Arabia

There is a growing demand for logistics services such as freight, customs, storage, and distribution due to rising domestic consumption and expanding industrial activity. The country has an investor-centric approach, which helped Saudi Arabia get 6th rank in Agility Emerging Markets Logistics Index 2022 Survey. The Saudi Ministry of Transport and Logistics Services (MOTLS) has announced an ambitious plan to increase the Kingdom's logistics industry and position it as a worldwide logistics hub. The logistics sector contributed 6% of KSA GDP in 2022 and is expected to contribute 10% by 2030 according to the Ministry of Transport & Logistics Services (MOTLS) in Saudi Arabia. Saudi Arabia has several important ports, including the King Abdulaziz Port, the Islamic Port of Jeddah, the King Fahad Industrial Port, the Jubail Commercial Port, and the Jizan Port. Connectivity and logistics are critical components of Vision 2030, and the Kingdom is eager to develop in these areas for the benefit of all economic sectors. Aside from constructing modern operational systems and opening a number of logistics zones, the strategy also includes establishing and strengthening effective collaborations between the government and the private sector. It thus offers opportunities for Swiss companies to invest in the sector.

Swisslog, a global leader in intralogistics automation and robotics solutions, is strategically supporting the rapid adoption of warehouse automation in the Kingdom of Saudi Arabia. Advancing its position as a global player across diverse sectors, the Kingdom's strategic shift towards a digitalized and automated future is gaining momentum. As part of Swisslog's global expansion plans, the company is poised to play a pivotal role in this transformation, driven by Saudi Vision 2030.

In February 2024, The train manufacturer Stadler from eastern Switzerland receives first order for full maintenance as well as the supply of spare parts for a period of ten years from Saudi Arabia Railways (SAR)

Switzerland and UAE

According to the Federal Competitiveness and Statistics Authority, the logistics sector in the country is expected to contribute 8% to the UAE economy by 2021. The UAE is working toward achieving its D33 goals and to reinforce its status as one of the leading world trading centers to provide seamless cooperation within the logistics industry. It is home to a diverse range of logistics service providers, including freight forwarders, custom brokers, and third-party logistics companies. The UAE has a well-developed road network that connects its major cities. The country's road system is well-maintained and efficient, serving local and foreign trade. To encourage international investment and promote trade, the UAE has established free zones such as Jebel Ali Free Zone and Dubai South. Dubai Silk Road strategy was launched in 2019 to promote air and sea freight to bridge the gaps between manufacturing hubs in the country. The strategy focuses on increasing trade between free zones and the rest of the country. World Logistic Passport aims to provide a smooth flow of global trades, access to new markets and trade routes, and improve economic efficiency. Swiss logistic companies and freight forwarders can avail benefit of such initiatives.

Switzerland and Qatar

In Qatar, the logistics sector includes a wide range of operations, including shipping, warehousing, inventory control, supply chain management, and freight forwarding. There are several domestic and foreign logistics providers in this market and an increasing number of e-commerce and 4PL businesses. One of the primary drivers of Qatar's industrial insights is the economy's accelerating growth. Qatar's GDP is projected to be driven by strong outcomes in the non-hydrocarbon sector. Logistics services are projected to benefit from the increase in economic activities.

The strategic position of Qatar is a major driver of the logistics sector in the country. As an ideal center for international trade and business, Qatar is situated at the intersection of important trade routes linking Asia, Europe, and Africa. The nation's superior airport and seaport facilities further bolster its logistical advantages. Due to advances in technology and shifting consumer demands, the logistics sector in Qatar is growing quickly.

Switzerland and Kuwait

The transportation & logistics business is critical to the Kuwait's economic success and enables domestic and international trade. Kuwait has an advanced infrastructure, which includes railways, ports, highways, and airports. The development and expansion of seaports, as well as the expansion of the airport, have resulted in the creation of various logistics and warehousing projects throughout the country. Commercial goods movement in Kuwait is accomplished via marine, air, and ground transportation, with marine remaining the primary form of transit.

Kuwait's e-commerce industry has seen a remarkable expansion in recent years, with a wide range of goods arriving in Kuwait reflecting changing consumer preferences and their acceptance of purchasing electronically. The development of new ports and the expansion of existing ones, as well as the construction of the GCC railway system, are expected to increase the quantity of regional trade, necessitating additional logistical support to meet the increased trade momentum. It is also anticipated to offer opportunities for FDI in the sector and increased collaboration opportunities for Swiss logistics companies.

In April 2024, Kuwait announced plans to build a USD 649 mn logistics hub at Shuwaikh Port. The project is slated for completion by 2028 and will include multi-story warehouses, administrative buildings, support services, and exhibition halls. The new logistics hub will allow Shuwaikh port to receive larger vessels, boost container handling and storage, and increase the capacity for re-exporting goods from Kuwait to other ports

Switzerland and Oman

Oman is actively pursuing private sector investment and expertise to expand its logistics project pipeline through joint ventures or public-private partnerships (PPPs). The government will also rely on PPPs to operate the four terminals at the Port of Duqm for containers, general cargo, bulk products, and liquids, as well as in the building of ports at Khasab and Shinas in the north. The Duqm refinery project provides opportunities for logistics and transportation. The two developed ports of Oman—Sohar and Salalah—also offer significant potential. The free zone in Sohar has spearheaded the development of downstream industry in Oman. The industrial zone is attempting to draw in more manufacturing and distribution operations.

Increased government funding supports investments in infrastructure and cutting-edge technologies for modernizing ports, airport facilities, and new road connectivity. To increase productivity and lower logistical costs, connecting the national rail network to the GCC rail network is given top priority. The main source of revenue for the region's freight forwarding and transportation businesses is likely to continue to trade with the GCC, Asia, and Europe. It offers opportunity for Swiss companies to foray into Oman.

Switzerland and Bahrain

The Bahrain Logistics Zone (BLZ) is the first boutique logistics park in the area and provides users with a cutting-edge entrance to the GCC market. The BLZ provides tenants with the quickest transit times in the area and easy access to neighboring markets, notably the region's largest economy, the Kingdom of Saudi Arabia, which is located close to the Kingdom's principal sea, air, and land transport hubs.

As part of a comprehensive investment program of US$32 billion across multiple sectors, Bahrain remains committed to enhancing its manufacturing, transport, and logistics infrastructure. Positioned strategically at the center of the Gulf region, Bahrain provides exceptional opportunities for transportation and logistics businesses to access an expanding customer base throughout the Middle East. With its advantageous geographic location, Bahrain boasts the shortest transit time between seaports, airports, and industrial zones within the GCC. This advantage enables superior freight turnaround times and streamline procedures, making Bahrain an ideal choice for Swiss businesses seeking efficient and effective logistics operations.

4.1.8.5 Cybersecurity

The Swiss cybersecurity industry offers investment opportunities for companies in the GCC region. Switzerland is known for its strong cybersecurity ecosystem and technological expertise. The country's long tradition of neutrality, legal certainty, and political stability make it an attractive location for cybersecurity companies. Switzerland is home to various internet governance organizations and has a significant presence in the world of internet-related activities. The Swiss government has also taken initiatives to enhance cybersecurity. The Federal Cybersecurity Competence Center, initiated by the Swiss government, acts as a national one-stop-shop for cybersecurity issues. This demonstrates Switzerland's commitment to protecting its population and business community from cyber risks while improving the security of its own systems.

Swiss ICT companies can partner with GCC counterparts on various ideas, such as data governance, collaboration, launching regional data centers, and promoting connectivity and faster Wi-Fi speeds. The GCC region's investment in digitization and the increasing need for cybersecurity protocols and protections create a favorable environment for collaboration and investment. Examples of potential investment opportunities include partnerships between Swiss and GCC companies in developing cybersecurity solutions, joint ventures in providing cybersecurity services, and investments in Swiss cybersecurity startups. The GCC companies can benefit from Switzerland's expertise in cybersecurity, while Swiss companies can gain access to the growing GCC market. Overall, the Swiss cybersecurity industry presents attractive investment prospects for GCC companies. The combination of Switzerland's strong cybersecurity ecosystem, government initiatives, and collaboration opportunities creates a favorable environment for investment and partnership in the cybersecurity sector.

Switzerland and Saudi Arabia

In the Swiss-based International Institute for Management Development (IMD)'s Global Cybersecurity Index, Saudi Arabia secured the second position in 2023 as per National Cybersecurity Authority. In terms of overall competitiveness, the country ranked 17th. According to the International Telecommunication Union (ITU), Saudi Arabia currently boasts the largest cybersecurity industry in the Middle East. As of 2020, the Saudi Arabian cybersecurity market was valued at US$ 3.6 billion by ITA and projected it to grow at a CAGR of ~18%, reaching US$ 9.8 billion by 2026.

Saudi Arabia faces significant challenges in combating cyber threats, with sectors such as government, education, finance, energy, and healthcare being the primary targets. Common types of attacks include ransomware, DDoS (Distributed Denial-of-Service), and malware. There are several key areas of opportunity within the Saudi Arabian cybersecurity market, including application security, cloud security, consumer security software, data security, identity access management, infrastructure protection, integrated risk management, network security equipment, and security services. These areas present potential avenues for investment and development for Swiss enterprises, as Saudi Arabia continues to prioritize cybersecurity and enhance its capabilities in countering cyber threats.

Switzerland and UAE

Among consumers in the GCC, the UAE reports the highest number of malware incidents. In order to safeguard the critical data and information infrastructure of the UAE and enhance national cybersecurity, the government has introduced the UAE Information Assurance Standards. These standards serve as guidelines for government entities operating in critical sectors. Compliance with these standards is mandatory for all government organizations and businesses identified as critical infrastructure in the UAE. The cybersecurity market in the UAE is projected to reach a value of US$4.51 billion by 2025, with a compound annual growth rate (CAGR) of 11.1% between 2020 and 2026, as per the ITA. This growth can be attributed to global cyber threats, increased vulnerability to cyber-attacks, corporate policies, and heightened regulation of cyber risk and data management. The digitization of various sectors, including financial services and utilities, as well as the need to secure critical infrastructure, are also major drivers of growth in the cybersecurity market.

Local players in the UAE have been actively developing their cybersecurity capabilities to meet the rising demand, while international IT security firms are expanding their presence in the country. With cybersecurity remaining a top priority for UAE firms, the market is expected to continue expanding, presenting ample investment opportunities for Swiss technology companies.

Switzerland and Qatar

In preparation for the World Cup, Qatar has made significant investments in the cybersecurity sector over the past decade. This aligns with the country's ambitious goals for digitization in both the public and private sectors, as outlined in the National Vision 2030 strategy document. To achieve this vision, Swiss ICT companies have the opportunity to collaborate with Qatar on various initiatives. These include areas such as data governance and collaboration, the establishment of regional data centers, and the promotion of enhanced connectivity and faster Wi-Fi speeds.

As Qatar's ICT sector continues to grow, the importance of cybersecurity protocols and protections increases. Furthermore, Qatar's commitment to digital transformation is evident through the establishment of the Ministry of Communications and Information Technology (MCIT) in October 2021. This standalone cabinet ministry is tasked with developing the sector and enhancing its infrastructure capabilities, underscoring the broader emphasis on digital transformation in Qatar. Swiss companies can leverage these developments and engage in partnerships to contribute to Qatar's digital ecosystem and cybersecurity landscape.

Switzerland and Kuwait

The Government of Kuwait launched the National Cybersecurity Center in January 2024, with the primary objective of safeguarding government networks and critical infrastructure assets. The center is expected to concentrate on various areas, including infrastructure protection, integrated risk management, network security equipment, and other software dedicated to information security. Additionally, the center plans to release a comprehensive national cyber security evaluation and threat assessment, ensuring a proactive and informed approach to cyber defense in Kuwait.

Collaboration with government agencies and entities from the private sector are key aspect of the center's operations, as it aims to actively monitor Kuwait's networks for cyber threats, gather and share threat intelligence, and facilitate the national cyber security response. It provides collaboration and investment opportunities for Swiss cybersecurity companies.

Switzerland and Oman

Oman has set its sights on building a robust cybersecurity industry. The focus is on various aspects such as managed security services, cybercrime analysis, security incident management, and consultancy. As part of this effort, Oman has established its first cybersecurity center facility, which operates under the Oman National Computer Emergency Readiness Team. This team serves as a task force dedicated to protecting government institutions from cyber risks. By investing in cybersecurity measures and establishing the necessary infrastructure, Oman is actively working towards ensuring the security and resilience of its digital landscape. It thus offers great potential for Switzerland based technology companies to invest in Oman.

Switzerland and Bahrain

Bahrain houses a significant number of companies that recognize the importance of continuous cybersecurity training and improvement to ensure a high level of preparedness. With its Cloud First Policy, the country is dedicated to expediting the transition to cloud-based systems. This transition creates fresh possibilities for cybersecurity companies based in Switzerland, particularly those offering products and services to secure cloud-based software and infrastructure. Swiss-based cybersecurity firms can seize the opportunity to cater to the growing demand and support Bahrain's efforts in maintaining robust cybersecurity measures in the context of cloud adoption.

4.1.8.6 Infrastructure

Both GCC and Switzerland have realized that infrastructure is central to addressing the development requirements of their respective countries, and hence are collaborating on various aspects of the sector. In addition to enjoying a large volume of trade in goods and services with Saudi Arabia and the UAE, Switzerland has proactively tried to promote its bilateral investment and business relations with most GCC countries. These countries and Switzerland have offered attractive investment opportunities to each other in recent decades.

The UAE traditionally and Saudi Arabia have maintained open and warm business environments to attract foreign capital. At the same time, the real estate boom and massive government investment in domestic infrastructure projects created many profitable investment opportunities for international investors in both countries. Owing to their large oil revenues and well-developed financial institutions, GCC nations have emerged as major suppliers of financial capital and foreign direct investment to the global economy, and these countries' investments in Switzerland have been rising significantly.

Despite a global economic downturn, the GCC witnessed relatively strong economic growth, moderate inflation, and fiscal surpluses in 2022. Much of the region has seen an impressive rebound in economic activity, with Gulf energy output providing stability during the global energy crisis. This has also enabled GCC nations to ramp up their efforts to progress strategically important activities ranging from trade facilitation to infrastructure development.

Infrastructural development is critical for these countries, as the participating nations focus on diversifying economies and attracting foreign direct investment (FDI). The GCC states are already seeking to transform the basis of their economies with the help of private-sector participation (PSP). Greater PSP offers other longer-term benefits to the GCC states. Well-structured PSP projects would attract interest from international investors around the world, thus promoting foreign direct investment in infrastructure development.

Switzerland and Saudi Arabia

Infrastructure is expected to play a key role in the success of the Saudi 2030 Vision as the nation has already committed to almost US$ 1 trillion worth of various projects. The country has been implementing significant economic reforms, including ease of doing business, access to credit, approval of construction permits, resolving insolvency, and other similar processes. Such reforms promote the entry of new businesses, improve procurement processes, and increase competition. Varied infrastructure projects are presently ongoing in the country, which offers Swiss companies a plethora of options to choose and invest in. Under the Vision 2030 plan, 8 new cities with ~1.3 million new homes will be developed, most of which will be situated along the coast of the Red Sea.

The country also plans to position Riyadh among the world's 10 largest cities. With the rising population and rapid urbanization, there is a rapidly growing need for better wastewater treatment infrastructure, and hence the Saudi government has undertaken 147 sewage treatment plants, while more are being planned. Debt capital markets are expected to support a significant portion of these new developments, even though the government has carved out a significant capital expenditure (CAPEX) budget with support from strong liquidity and healthy balance of trade. Swiss financial institutes can explore opportunities to fund and invest in such projects as well.

Switzerland and UAE

As part of the Projects of the 50 initiative, the UAE government plans to implement a series of projects aimed at accelerating the UAE's economic development to transform the country into a comprehensive hub for all sectors, aiming to attract ~US$ 149.8 billion in FDI over the next nine years. The transportation and road infrastructure projects pipeline, including the ~US$ 11 billion Etihad rail project, the ~US$ 5.9 billion proposed hyperloop project between Dubai and Abu Dhabi, the ~US$ 2.7 billion Sheikh Zayed double-deck road project, and others. The increasing demand for urban transportation aims to bolster tourism and drive rail and road development across the country. The rising focus on attracting FDIs and the flourishing tourism sector result in the increased focus on developing transportation infrastructure in the country.

The government in UAE is focusing on reducing desertification caused by drought and over-exploitation of natural resources, population growth, and land utility, among others. Government agencies of the UAE have been promoting plans to establish several innovative technologies that can modify how infrastructure is delivered and used within the federation while ensuring the conservation of the environment. The Hyperloop transportation system is one such initiative. The planned technology is expected to reduce journey times between cities and involves transportation over wide locations at enormous speeds through a pipe or tunnel. Abu Dhabi and Dubai have been conducting viability studies for Hyperloop systems that could connect these cities with other major cities within the GCC. The government is also promoting 3D printing for infrastructure projects. Such varied infrastructure projects offer collaboration opportunities with Swiss companies.

Switzerland and Qatar

CAPEX of Qatar has mostly followed an upward trend, buoyed by the country's financial and political stability and efficient corporate tax system. The country has undertaken a series of reforms that were designed to create a pro-business competitive environment while supporting transformation. The country is also proactively investing in residential infrastructure, driven by a resilient economy with lower equity and securities risk. The residential market in Qatar has been a significant beneficiary of ~US$ 229 billion spent on infrastructure to transform the country ahead of the FIFA Men's World Cup 2022. It resulted in the creation of ~850,000 jobs over the past 10 years. Swiss high-net-worth individuals (HNWIs) and financial institutions can join their Qatari counterparts and focus on the country's residential and office spaces for investments.

Switzerland and Kuwait

Kuwait's ambitious commercial and residential construction initiatives present lucrative opportunities for a wide range of Swiss building products and construction equipment. Local construction companies in Kuwait adopt Swiss building techniques and apply them to various private development projects, including resorts and hospitals. Swiss engineering and consulting firms also have promising prospects to enter the market.

Kuwait's development plan for the period of 2020-2025 focuses on economic reform and the execution of long-awaited mega projects, including several large-scale infrastructure ventures estimated at a total of US$ 124 billion. These projects involve significant infrastructure upgrades, such as the construction of a new US$ 4 billion airport terminal, the development of the Mubarak Al-Kabeer Port on Boubyan Island, and the establishment of a petrochemicals complex. The government has also nearly completed several hospital projects aimed at increasing the country's hospital bed capacity. As a result, the Ministry of Health's operating budget is projected to reach approximately US$ 18 billion by 2030.

In April 2024, Egis and Gulf Consult win contract to help in the reconstruction and revitalization of the Souk Al-Mubarakiya in Kuwait City. The revitalization initiative is being led by the Kuwait Finance House (KFH), a leading Kuwaiti bank, with construction being carried out by Alghanim and consultancy services delivered by Egis and Gulf Consult.

Switzerland and Oman

The transport infrastructure sector is one of the country's fastest-expanding sectors. Increased government funding supports investments in infrastructure and cutting-edge technologies for modernizing ports, airport facilities, and new road connectivity. To increase productivity and lower logistical costs, connecting the national rail network to the GCC rail network is given top priority. Ensuring road connectivity between the various FZs, tourist spots, and commercial spaces with airports, ports, and railway stations is crucial. Hence the government is focusing on improving the same, thus offering great investment opportunities.

Oman is also connected to neighboring countries via road. It opened a 725 km long road from Oman to Saudi Arabia through a new border crossing in the northwest Dhahirah region of the Sultanate in December 2021. Per authorities, road facilities were developed to handle tax clearance for trade goods, visitors, and passports. The road was developed to boost tourism, logistics, manufacturing, and investments. The National Aviation Strategy 2030 also emphasizes increasing and improving airport efficiency to keep up with the anticipated expansion in passenger traffic.

Fourteen Swiss companies spanning various sectors, including sustainable infrastructure, construction, environmental technology, solutions, and logistics, have taken part in the Oman Sustainability Week held from 29 April to 1 May 2024.

Switzerland and Bahrain

The government of Bahrain is actively undertaking large-scale infrastructure projects that continue to stimulate the sector and have positive ripple effects in supply industries. These major projects include:

- The modernization and expansion project of Bahrain Petroleum Company (BAPCO).
- The King Hamad Causeway transportation infrastructure project.
- The Bahrain Metro Project.
- Major housing and resort projects, estimated to be around US$ 2.2 billion.
- Electricity and water delivery projects, expected to cost US$ 1.1 billion.
- Road and sewerage infrastructure projects, with an estimated budget of US$ 900 million.
- Construction of roads, sewage networks, and electricity connection systems for three planned cities.
- The Bahrain International Exhibition and Convention Center.
- The development of five offshore cities along Bahrain's coastline.

These ambitious government initiatives strongly contribute to the growth and development of the infrastructure sector, generate positive spillover effects in various supply industries, foster economic progress and prosperity in the region, and also provide collaboration opportunities for Swiss enterprises interested in investing in the infrastructure sector.

4.1.8.7 Clean Energy

In line with the Energy Strategy 2050, Switzerland has set a target to achieve net zero carbon emissions by 2050. Accomplishing this ambitious goal will necessitate substantial investments in renewable energy and clean technologies. Switzerland aims to significantly increase its output from non-hydro renewable sources, such as wind and solar power, by nearly threefold by 2035. As Switzerland remains committed to achieving net zero emissions by 2050, the demand for renewable energy sources like hydropower, solar power, and wind power will continue to rise. Moreover, the development of a smart energy grid presents potential opportunities for companies based in GCC countries. It is important to note that Switzerland's remaining four operational nuclear power plants are slated to be decommissioned by 2034, which may create avenues for GCC-based companies to provide services related to decommissioning, including the development of spent nuclear fuel storage systems.

Switzerland and Saudi Arabia

Saudi Arabia is making significant investments in power and renewable energy projects, with the Ministry of Energy's spending expected to reach US$ 293 billion by 2030. The country is diversifying its energy sources from traditional oil and gas to cleaner alternatives like solar, wind, and bioenergy. This shift is driven by favorable government policies and a global push for sustainable energy solutions. In line with this, the Saudi government has set a target to generate 50% of the country's electricity from renewable sources by 2030. To support these goals, the National Renewable Energy Program (NREP) operates under the Ministry of Energy as a strategic initiative under Vision 2030 and the King Salman Renewable Energy Initiative. The NREP aims to unlock the full potential of renewable energy in Saudi Arabia and drive advancements in the Kingdom's renewable energy capacity.

These initiatives create investment opportunities for Swiss companies in the power and renewable energy sectors. Companies can explore partnerships, collaborations, and investments in Saudi Arabia to contribute to the country's renewable energy goals and benefit from the growing market. The Saudi Arabian power market is expected to witness significant growth as the government focuses on expanding its renewable energy capacity and reducing reliance on traditional energy sources.

Switzerland and UAE

The UAE presents numerous opportunities for Swiss exporters in the clean energy technologies sector. The country has set ambitious goals to become a global leader in combating the climate crisis, including reaching net-zero carbon emissions by 2050. To achieve this, the UAE has pledged to invest $163 billion in clean and renewable energy, as well as key technologies. Swiss companies specializing in clean energy, cutting-edge technology, and advanced solutions that reduce negative environmental impacts can collaborate with the UAE.

There are opportunities to supply solar energy equipment, wind energy equipment, energy storage technology, carbon capture technology, hydrogen electrolyzers, and more. The UAE's commitment to clean energy is evident through various initiatives and government policies. For example, the UAE operates zero-carbon nuclear power and has plans to generate 14 GW of clean power by 2030 through renewable energy sources. The country also supports green infrastructure and clean energy projects globally, investing in renewable energy ventures in developing nations.

These initiatives create a favorable environment for Swiss exporters to collaborate and contribute to the UAE's clean energy goals. By offering innovative solutions and technologies, Swiss companies can play a significant role in the UAE's transition to a sustainable and low-carbon future.

In October 2023, A UAE company and a Swiss Technology provider have partnered to transform the energy and renewable chemistry landscape at ADIPEC.

Switzerland and Qatar

Collaboration between Qatar and Switzerland in the clean energy sector presents promising opportunities. Qatar has been actively working towards diversifying its energy sources and reducing its carbon footprint. The country has set ambitious goals to increase the share of renewable energy in its energy mix and has made significant investments in clean energy projects. Swiss companies specializing in clean energy technologies and advanced solutions can collaborate with Qatar to help achieve its clean energy objectives. There are opportunities to supply solar & wind energy equipment, energy storage technology, smart grid solutions, and other innovative clean energy solutions.

Qatar's commitment to clean energy is reinforced by initiatives such as the Qatar National Vision 2030, which emphasizes sustainable development and environmental preservation. The country has also established the Qatar Green Building Council to promote green building practices and sustainable infrastructure. Switzerland, renowned for its expertise in clean energy technologies, can contribute to Qatar's clean energy transition through knowledge sharing, technology transfer, and joint research and development projects.

Collaborative efforts can focus on areas such as renewable energy generation, energy efficiency, carbon capture and storage, and sustainable transportation. By leveraging the strengths of both countries, Qatar and Switzerland can foster a mutually beneficial partnership in the clean energy sector. This collaboration can accelerate the adoption of clean energy technologies, reduce carbon emissions, and contribute to a more sustainable future for both nations.

Switzerland and Kuwait

Renewable energy holds immense potential to shape Kuwait's future and contribute significantly to its energy landscape. Kuwait has the opportunity to expedite the adoption of renewable energy and harness the numerous benefits it offers. By leveraging a combination of renewable energy technologies and battery storage, Kuwait can establish a more resilient and dependable electricity grid. Furthermore, by embracing clean energy sources that do not generate greenhouse gas emissions, Kuwait can fulfill its climate change commitments and mitigate its environmental impact. This transition will not only cater to the country's increasing electricity demand but also support its economic growth.

Swiss energy sector players have the potential to invest in Kuwait and actively contribute to the adoption of clean energy. Their expertise and resources can assist Kuwait in implementing renewable energy projects and driving the shift towards a sustainable energy future. By partnering with Swiss energy companies, Kuwait can tap into their knowledge and experience in renewable energy development, thereby accelerating the country's clean energy transition. This collaboration will pave the way for Kuwait to achieve its energy goals while simultaneously addressing environmental concerns and fostering sustainable economic development.

Switzerland and Oman

Oman's state-owned entities are issuing tenders, presenting opportunities for providers of clean energy technology and financiers of large infrastructure projects from Switzerland and the globe. The nation is currently expanding its clean energy development beyond traditional renewable sources. In October 2022, the Ministry of Energy and Minerals (MEM) introduced the Green Hydrogen Strategy and established Hydrogen Oman (Hydrom) as a subsidiary of the state-owned Energy Development Oman. Hydrom is tasked with overseeing the development of the sector. Oman is actively seeking US$ 140 billion in investments for the green hydrogen industry and has set a production target of ~1 million MT per year by 2030. To further progress towards carbon neutrality, Oman has also created the Oman Sustainability Center as a dedicated government entity.

In January 2024, Oman signed a memorandum of understanding (MoU) with the Swiss Federal Office of Energy to enhance cooperation in sustainable and renewable energy. The agreement aims to foster collaboration between Oman and Switzerland in various aspects of sustainable and renewable energy, including research and development, energy efficiency, and decarbonization strategies.

In November 2022, Hydrom initiated a process of hydrogen concession bid rounds, inviting investors to submit project proposals in exchange for land for development. In June 2023, Hydrom awarded five major green hydrogen projects to companies such as DEME (Belgium), BP (UK), and a consortium including Shell (UK/Netherlands). These projects represent a combined investment of over US$ 30 billion and are expected to achieve a total annual production of 750,000 MT per annum from 18 GW of renewable energy capacity across the designated sites. Following this, Hydrom opened registration for the second round of auctions in June 2023 and the award announcements expected in early 2024.

Switzerland and Bahrain

The development of offshore renewable energy offers Bahrain an opportunity to pursue large-scale generation and meet higher renewable energy targets. Bahrain benefits from favorable wind conditions and shallow waters, making it suitable for the installation of near-shore or offshore wind farms. In addition to wind energy, there is potential for Bahrain to explore other offshore renewable energy options. One such possibility is the establishment of an integrated network of infrastructure facilities, including causeways and railway systems, that can connect Bahrain with its GCC neighbors while incorporating renewable energy capabilities. This presents a promising avenue for Swiss companies to partner with Bahrain, to harness the potential of offshore renewable energy and contribute to a more sustainable future.

Also, Bahrain is in the process of developing a pilot program for heat waste recovery, aiming to capture and convert the excess heat generated by Aluminum Bahrain (Alba) into electricity. Given the warm Gulf climate, a significant portion of Bahrain's annual electricity consumption is attributed to the extensive use of air conditioning. To address this, Bahrain is exploring the concept of "district cooling" to enhance the efficiency of air conditioning systems by up to 50 percent. By implementing district cooling practices, Bahrain aims to optimize energy usage and reduce overall electricity demand, contributing to a more sustainable and energy-efficient future. Such factors also offer collaboration opportunities between Switzerland and Bahrain.

5. Focus Sectors

5.1 Innovation

5.1.1 Introduction

Innovation encompasses the collective quest of individuals, private institutions, and governments to foster development through the generation of inventive ideas and the introduction of novel products, services, and operations that enhance the overall quality of life. The innovation is crucial to drive economic growth, bolster competitiveness, and create fresh avenues for employment. Technological innovation plays a significant role in employment dynamics in both developed and developing nations. Thus the impact of the socioeconomic environment on the innovation ecosystem is required to be acknowledged. Consideration is required for various factors that contribute to the diverse interpretations of innovation. These factors include the complexity of innovation issues, the role of government, and the impact on socioeconomic development.

Innovation issues are multifaceted, and innovation policies encompass a broad range of areas. These policies focuses on strengthening both the supply and demand side of knowledge and technology. This involves the importance and usage of knowledge and technology in the production of goods and services among firms, farms, and public sector entities. It is crucial to consider the interactions between these two sides and the development of favorable framework conditions.

However, different countries hold different perspectives on the role of government in promoting innovation. Effective management is necessary to navigate the complexity and rapid evolution of innovation, even if it deviates from traditional state roles. New approaches are required to facilitate collaboration between government and industry while safeguarding against undue influence from vested interests. Governments can play a supportive role by promoting general-purpose technologies without hindering downstream competition or violating state aid regulations outlined in international treaties.

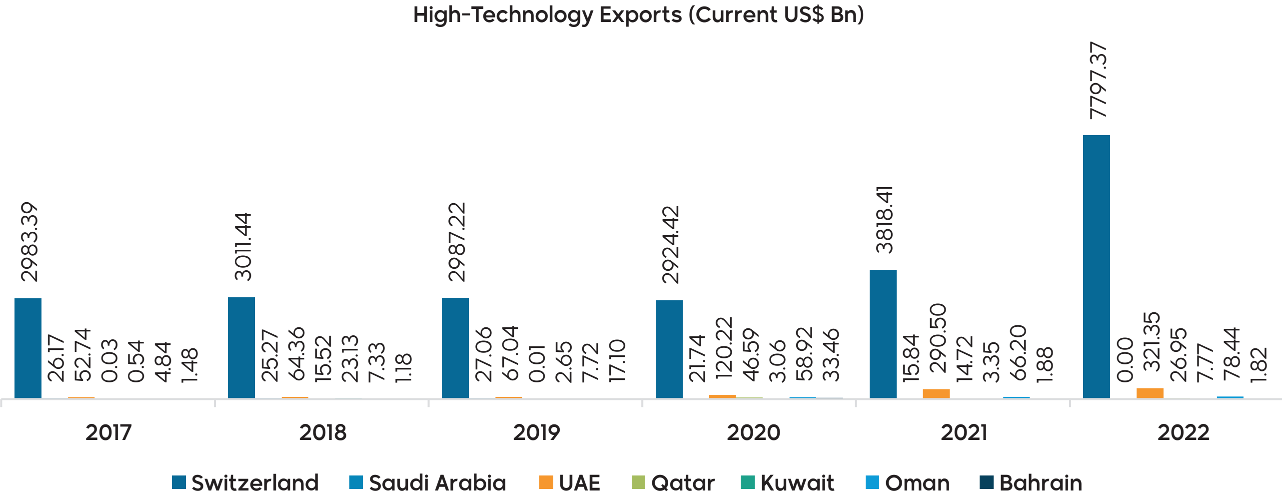
The active involvement of government is crucial in addressing the challenges posed by globalization, environmental changes, and the social, economic, and political disruptions caused by innovations and new technologies. Some innovations and technologies have the potential to disrupt major industrial sectors or create rent-seeking monopolies, as seen with mobile phones and internet provision. Government regulations worldwide have faced challenges from disruptive innovation, as demonstrated by companies like Uber, Amazon, and Google.

5.1.2 Indicators of Innovation

5.1.2.1 High-Technology Exports (Current US$ Billion)

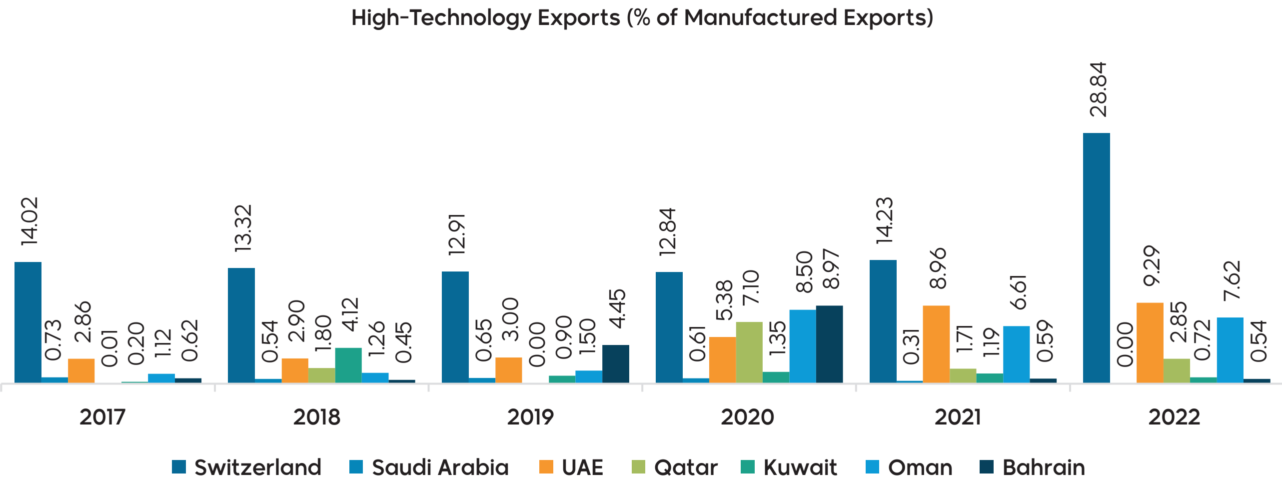
High-technology exports are products with high R&D intensity, such as aerospace, computers, electrical machinery, pharmaceuticals, and scientific instruments. It is an indicator of the presence of companies and industries which create innovative, cutting-edge technologies, products, or services in a country. To enhance exports with a high level of technological sophistication, it is critical to target key drivers of high-tech exports, since technological sophistication of exports plays a key role for sustained long-term economic growth.

Figure 9. High-Technology Exports (Current US$ Billion)



Source: IMF, Country Authorities, Company & Banks Financials, and the Analyst Team

Figure 10. High-Technology Exports (% of Manufactured Exports)

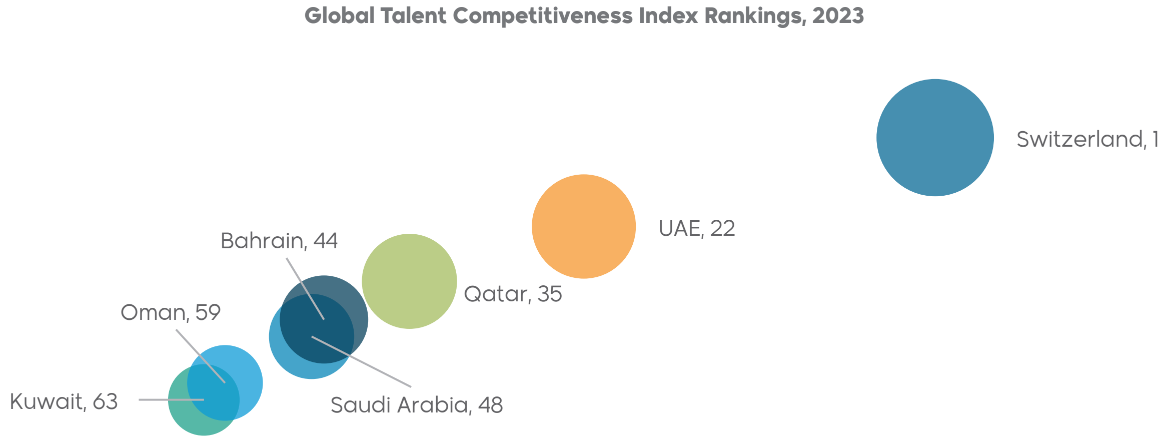


Source: IMF, Country Authorities, Company & Banks Financials, and the Analyst Team

5.1.2.2 Global Talent Competitiveness Index

The Global Talent Competitiveness Index (GTCI) report is published annually by INSEAD business school, in collaboration with the Descartes Institute for the Future and the Human Capital Leadership Institute (HCLI). report serves as an important tool for decision makers, offering insights into the global talent competitiveness landscape and helping them formulate strategies to enhance their economies. GTCI is considered as a leading benchmarking and analytical indicator on talent flows, labor markets, and work organization, that allow more innovative and action-oriented analyses and projections.

Figure 11. Global Talent Competitiveness Index, 2023

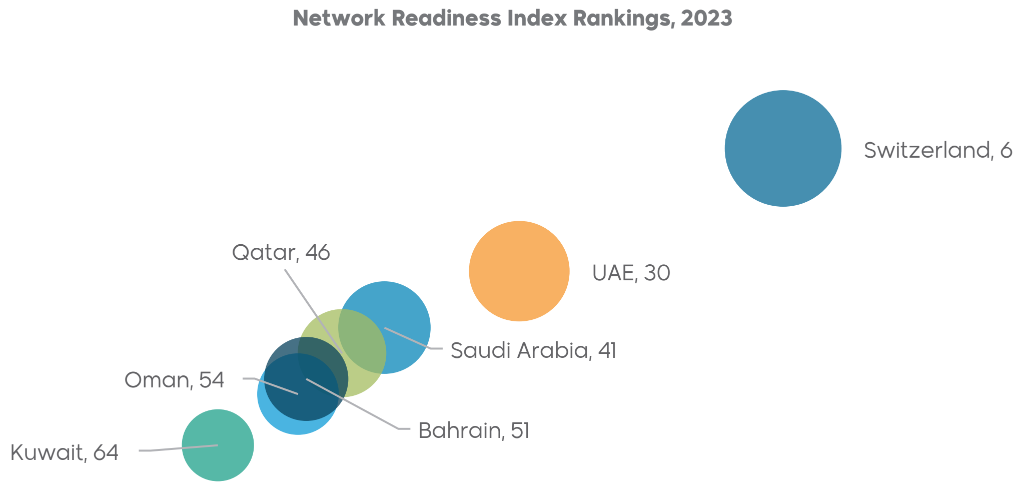


Source: Institut Européen d'Administration des Affaires (INSEAD) || Bubble size represents score

5.1.2.3 Network Readiness Index

The Network Readiness Index (NRI) is an index published annually by Portulans Institute, Saïd Business School, and the University of Oxford. It aims to measure the degree of readiness of countries to exploit opportunities offered by information and communications technology. The index stands out as a pivotal metric for assessing digital trends and understanding the evolution of online trust in this networked era. NRI provides a robust framework for assessing the impact of ICT on society and the development of nations and also seeks to identify and analyze major trends, driving forces and their societal implications, to offer actionable recommendations for policy and practice. Policymakers, the industry, and academia can utilize the NRI in establishing measures that amplify the positive effects of technology on society and the economy, while promoting positive relationships between individuals and digital technologies.

Figure 12. Network Readiness Index, 2023



Source: Portulans Institute, Saïd Business School, and the University of Oxford || Bubble size represents score

5.1.2.4 Frontier Technologies Readiness Index

The Frontier Technologies Readiness Index (FTRI) is built around the concept of green innovation – creating or introducing new or improved goods and services that leave lighter carbon footprints and open up green windows of opportunity. Frontier technologies are increasingly interrelated, and they often expand each other's functionalities. For instance, AI uses big data securely stored in the blockchain to improve predictions using machine learning. An increasing number of devices connected within an IoT network contribute to building up big data as data collection tools. 3D printing can create more complex items that require more data by leveraging big data and items can be printed remotely through IoT with AI-enabled defect detection functions. Industrial robots assist 3D printing at various production stages such as replacing a printer's build plate, washing, curing and final finishing of additively manufactured parts. 5G has the potential to allow near-instantaneous response for robots by dramatically shortening the response time. These technologies have experienced tremendous growth in the last two decades. UNCTAD estimates that frontier technologies market value was US$ 350 billion in 2021 and this is expected to increase to US$ 3.2 trillion by 2025.

The Internet of things (IoT) which embraces a vast range of devices across multiple sectors. For countries aiming to catch up with the more technologically advanced countries, switching green requires more than simple imitation. It demands creative adaptation and innovation. The below diagrams provide an overview of the present scenario and comparison of GCC and Switzerland.

Table 1. Frontier Technologies Readiness Index Scores, 2022

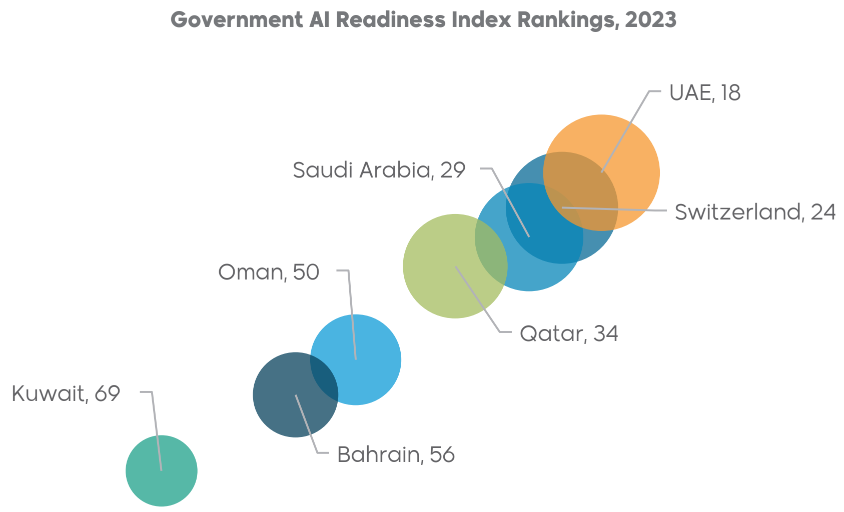
FTRI Scores, 2022	Score	2022 Rank	2021 Rank	ICT Rank	Skills Rank	R&D Rank	Industry Rank	Finance Rank
Switzerland	0.94	↓ 4	2	21	13	12	5	5
Saudi Arabia	0.65	↑ 47	50	46	44	20	119	77
UAE	0.74	↑ 37	42	29	50	34	32	38
Qatar	0.55	↑ 67	72	36	115	56	115	15
Kuwait	0.64	↑ 51	58	44	75	70	52	37
Oman	0.57	↑ 64	74	52	86	51	91	63
Bahrain	0.58	↓ 60	56	48	58	87	94	50

Source: UNCTAD

5.1.2.5 Government AI Readiness Index

The Government AI Readiness Index attempts to assess the readiness of a given government to implement AI in the delivery of public services. The UAE takes the lead in GCC, driven by relatively high scores across all three pillars (government, technology, and data & infrastructure) that place it 18th worldwide as of 2023. The effective integration of AI into government operations depends on having a skilled workforce. In order to improve on this front, the country launched the Coders (hq) program in 2022, designed to establish connections between global tech influencers and the local tech community through events such as conferences, hackathons, and training programs. Bahrain's Sixth National Telecommunications Plan outlines the government's strategic vision and overall policy for the telecommunications sector. Within this document, Bahrain emphasizes the critical need for establishing resilient infrastructure and connectivity foundations to effectively integrate technologies like AI. The initiative recognizes the imminent impact of rapid technological change on both telecommunications and the broader ICT market structure. Furthermore, this document underscores Bahrain's plans to formulate a national AI strategy.

Figure 13. Government AI Readiness Index, 2023

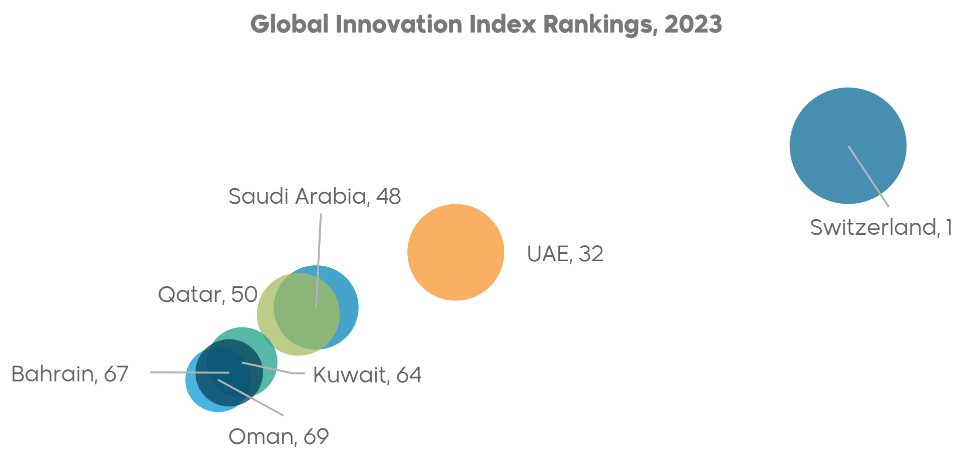


Source: Portulans Institute, Saïd Business School, and the University of Oxford || Bubble size represents score

5.1.2.6 Global Innovation Index

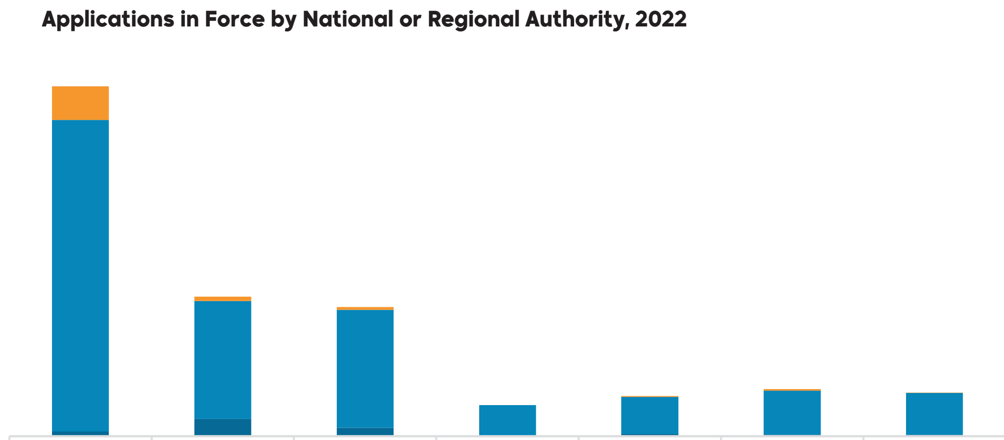
For the thirteenth consecutive year, Switzerland ranked first in the GII. It is the global leader in innovation outputs, ranking first in both knowledge and technology outputs and creative outputs. As of 2023, the UAE was at 32nd place, close to the top 30. Saudi Arabia (Ranked 48th) and Qatar (Ranked 50th) made it into the top 50. Bahrain (Ranked 67th) and Oman (Ranked 69th) also experienced prominent improvements in their innovation ranking, with both entering the top 70 as of 2023. Saudi Arabia led globally in ICT access (Ranked 7th), ICT use (Ranked 10th), and Policies for doing business (Ranked 16th) among GCC nations. It also excelled for its Global corporate R&D investors (Ranked 16th) and for its Global brand value (18th), thanks to leading enterprises such as Aramco (oil and gas), stc Huawei (telecom), and Al-Rajhi Bank (banking). Oman also took a big leap forward in 2023 by achieving 69th place and ranked among the top 10 worldwide in Graduates in science and engineering (Ranked 2nd) and Government funding per pupil (Ranked 9th). In sum, there are some systematic and positive innovation-rank developments in the GCC region.

Figure 14. Global Innovation Index, 2023



Source: Institut Européen d'Administration des Affaires (INSEAD) || Bubble size represents score

Figure 15. Applications in Force by National or Regional Authority, 2022



	Switzerland	Saudi Arabia	UAE	Qatar	Kuwait	Oman	Bahrain
Industrial Design Count	11525	1508	902	0	308	353	88
Trademark Class Count	106473	40287	40344	10568	12673	15007	14272
Patent	1546	5837	2848	0	734	530	489

Source: World Intellectual Property Organization (WIPO)

Table 2. Top Corporate R&D Investors, GCC

GII Scores, 2023	Switzerland	Saudi Arabia	UAE	Qatar	Kuwait	Oman	Bahrain
GII Rank	1	48	32	50	64	69	67
Knowledge and Technology Outputs	65.30	21.95	23.90	18.38	21.42	20.89	20.95
Creative Outputs	68.52	24.07	30.27	24.65	25.09	19.18	13.32
Business Sophistication	65.50	34.42	51.59	26.60	21.18	22.32	22.88
Market Sophistication	64.42	47.54	50.27	40.75	35.56	33.28	31.68
Human Capital & Research	59.76	40.56	54.34	33.79	33.64	34.22	28.07
Infrastructure	64.33	48.35	59.80	53.36	48.49	42.48	53.8
Institutions	87.33	59.20	80.77	18.38	44.22	51.90	69.22
Highest Ranks (As of 2023)	Knowledge and Technology Outputs (1st) Creative Outputs (1st)	Market Sophistication (28th) Human Capital and Research (35th) Institutions, Business Sophistication (45th) Infrastructure (48th)	Institutions (10th), Infrastructure (15th) Human Capital and Research (16th) Business Sophistication (23rd)	Institutions (23rd) Infrastructure (39th) Market Sophistication (44th)	Infrastructure (46th) Human Capital and Research (55th) Market Sophistication (62nd) Creative Outputs (64th)	Human Capital and Research (52nd) Infrastructure (61st) Institutions (62nd)	Institutions (28th) Infrastructure (37th).
Lowest Ranks (As of 2023)	Market Sophistication (7th) Human Capital and Research (6th) Business Sophistication (5th)	Knowledge and Technology Outputs (68th) Creative Outputs (66th) Infrastructure, GII Index (48th)	Knowledge and Technology Outputs (59th) Creative Outputs (50th) Market Sophistication (25th)	Knowledge and Technology Outputs (82nd) Business Sophistication (73rd) Creative Outputs (65th)	Business Sophistication (103rd) Institutions (86th) Knowledge and Technology Outputs (73rd)	Business Sophistication (95th) Creative Outputs (79th) Knowledge and Technology Outputs (75th).	Creative Outputs (98th) Business Sophistication (92nd) Market Sophistication (78th)

Source: World Intellectual Property Organization (WIPO)
The GII is based on several different parameters.

5.1.2.6.1 Switzerland's Innovation Indicators

Table 3. Top Corporate R&D Investors from Switzerland, 2023

Rank	Firm	Industry	R&D Exp (USD Million)	R&D Growth (%)	R&D Intensity (%)
9	ROCHE	Pharmaceuticals & Biotechnology	13944	13	22
16	NOVARTIS	Pharmaceuticals & Biotechnology	8394	8	17
101	NESTLE	Food Producers	1935	8	2
139	SYNGENTA	Chemicals	1415	15	9
183	ABB	Industrial Engineering	1130	9	4

Source: European Commission's Joint Research Centre

Table 4. QS University Ranking of Switzerland's Top Universities, 2024

Rank	University	Score
7	ETH ZURICH (SWISS FEDERAL INSTITUTE OF TECHNOLOGY)	93.3
36	ECOLE POLYTECHNIQUE FEDERALE DE LAUSANNE (EPFL)	80.4
91	UNIVERSITY OF ZURICH	61.6

Source: QS Quacquarelli Symonds Ltd

Table 5. Top Unicorn Companies in Switzerland, 2023

Rank	Unicorn Company	Industry	City	Valuation, US$ Bn
1	SONARSOURCE	Internet software & services	Geneva	5
2	ACRONIS	Cybersecurity	Schaffhausen	4
3	NEXTHINK	Data management & analytics	Prilly	1
4	MINDMAZE	Health	Lausanne	1
4	NUMBRS	Fintech	Zurich	1
4	SCANDIT	Supply chain, logistics, & delivery	Zurich	1

Source: CBInsights

Table 6. Top Intangible-Asset Intensive Companies in Switzerland, 2023

Rank	Firm	Intensity, %
1	NESTLE SA	86.03
2	ROCHE HOLDING AG	91.18
3	NOVARTIS AG	93.52
4	ABB LTD	84.83
5	CHUBB LTD	43.6

Source: Brand Finance

Table 7. Top Companies in Switzerland with Highest Global Brand Value, 2023

Rank	Brand	Industry	Brand Value, US$ Mn
1	NESTLE	Food	22427
2	ROLEX	Apparel	10711
3	UBS	Banking	9769
4	ROCHE	Pharma	8466
5	ZURICH	Insurance	7405

Source: Brand Finance

5.1.2.6.2 Saudi Arabia's Innovation Indicators

Table 8. QS University Ranking of Saudi Arabia's Top Universities, 2024

Rank	University	Score
143	KING ABDUL AZIZ UNIVERSITY (KAU)	52
180	KING FAHD UNIVERSITY OF PETROLEUM & MINERALS (KFUPM)	48
203	KING SAUD UNIVERSITY (KSU)	45.2

Source: QS Quacquarelli Symonds Ltd

Table 9. Top Intangible-Asset Intensive Companies in Saudi Arabia, 2023

Rank	Firm	Intensity, %
1	SAUDI ARABIAN OIL CO	85.90
2	AL RAJHI BANK	73.91
3	SAUDI ARABIAN MINING CO	65.38
4	SAUDI NATIONAL BANK	46.04
5	SAUDI TELECOM CO	70.62

Source: Brand Finance

Table 10. Top Companies in Saudi Arabia with Highest Global Brand Value, 2023

Rank	Brand	Industry	Brand Value, US$ Mn
1	ARAMCO	Oil & Gas	45,227.2
2	STC	Telecoms	12,337.7
3	AL-RAJHI BANK	Banking	5,657.9
4	SABIC	Chemicals	4719
5	SNB	Banking	4326

Source: Brand Finance

5.1.2.6.3 UAE's Innovation Indicators

Table 11. QS University Ranking of UAE's Top Universities, 2024

Global Rank	University	Score
181	KHALIFA UNIVERSITY	45.6
296	UNITED ARAB EMIRATES UNIVERSITY	35.4
369	AMERICAN UNIVERSITY OF SHARJAH	29.9

Source: QS Quacquarelli Symonds Ltd

Table 12. Top Unicorn Companies in Switzerland, 2023

Rank	Unicorn Company	Industry	City	Valuation, US$ Bn
1	VISTA GLOBAL	Other	Dubai	3
2	KITOPI	Supply chain, logistics, & delivery	Dubai	2
3	EMERGING MARKETS PROPERTY GROUP	Other	Dubai	1

Source: CBInsights

Table 13. Top Intangible-Asset Intensive Companies in UAE, 2023

Rank	Firm	Intensity, %
1	ABU DHABI NATIONAL ENERGY CO PJSC	77.16
2	EMIRATES TELECOMMUNICATIONS GROUP CO PJSC	81.35
3	FIRST ABU DHABI BANK PJSC	47.58
4	ABU DHABI NATIONAL OIL CO FOR DISTRIBUTION PJSC	88.02
5	ADNOC DRILLING CO PJSC	77.94

Source: Brand Finance

Table 14. Top Companies in UAE with Highest Global Brand Value, 2023

Rank	Brand	Industry	Brand Value, US$ Mn
1	ADNOC	Oil & Gas	14209
2	ETISALAT BY E&	Telecom	10457
3	EMIRATES	Airlines	5104
4	FAB	Banking	3943
5	EMIRATES NBD	Banking	3899

Source: Brand Finance

5.1.2.6.4 Qatar's Innovation Indicators

Table 15. QS University Ranking of Qatar's Top Universities, 2024

Global Rank	University	Score
173	QATAR UNIVERSITY	48.7

Source: QS Quacquarelli Symonds Ltd

Table 16. Top Intangible-Asset Intensive Companies in Qatar, 2023

Rank	Firm	Intensity, %
1	QATAR NATIONAL BANK QPSC	49.96
2	INDUSTRIES QATAR QSC	42.92
3	QATAR ISLAMIC BANK SAQ	55.62
4	OOREDOO QPSC	62.87
5	QATAR GAS TRANSPORT CO LTD	36.52

Source: Brand Finance

Table 17. Top Companies in Qatar with Highest Global Brand Value, 2023

Rank	Brand	Industry	Brand Value, US$ Mn
1	QNB	Banking	7666
2	OOREDOO	Telecom	3143
3	QATARGAS	Oil & Gas	3105
4	QATAR AIRWAYS	Airlines	2470
5	QATARENERGY	Oil & Gas	1744

Source: Brand Finance

5.1.2.6.5 Kuwait's Innovation Indicators

Table 18. QS University Ranking of Kuwait's Top Universities, 2024

Global Rank	University	Academic Reputation
671-680	AMERICAN UNIVERSITY OF THE MIDDLE EAST	17.7
851-900	GULF UNIVERSITY FOR SCIENCE AND TECHNOLOGY	10.7
851-900	KUWAIT UNIVERSITY	13.6

Source: QS Quacquarelli Symonds Ltd

Table 19. Top Intangible-Asset Intensive Companies in Kuwait, 2023

Rank	Firm	Intensity, %
1	KUWAIT FINANCE HOUSE KSCP	75.85
2	NATIONAL BANK OF KUWAIT SAKP	53.48
3	MOBILE TELECOMMUNICATIONS CO KSCP	80.17
4	KUWAIT PROJECTS CO HOLDING KSCP	19.55
5	MABANEE CO KPSC	37.30

Source: Brand Finance

Table 20. Top Companies in Kuwait with Highest Global Brand Value, 2023

Rank	Brand	Industry	Brand Value, US$ Mn
1	KPC	Oil & Gas	4150
2	ZAIN	Telecom	2737
3	KOC	Oil & Gas	1999
4	NBK	Banking	1296
5	KUWAIT FINANCE HOUSE	Banking	1222

Source: Brand Finance

5.1.2.6.6 Oman's Innovation Indicators

Table 21. QS University Ranking of Oman's Top Universities, 2024

Global Rank	University	Score
454	SULTAN QABOOS UNIVERSITY	25.2

Source: QS Quacquarelli Symonds Ltd

Table 22. Top Intangible-Asset Intensive Companies in Oman, 2023

Rank	Firm	Intensity, %
1	OMAN TELECOMMUNICATIONS CO SAOG	68.80
2	BANK MUSCAT SAOG	5.36
3	OMANI QATARI TELECOMMUNICATIONS CO SAOG	29.90
4	GALFAR ENGINEERING & CONTRACTING SAOG	58.85
5	AL ANWAR CERAMIC TILES CO	50.87

Source: Brand Finance

Table 23. Top Companies in Oman with Highest Global Brand Value, 2023

Rank	Brand	Industry	Brand Value, US$ Mn
1	BANK MUSCAT	Banking	416
2	OMANTEL	Telecom	340

Source: Brand Finance

5.1.2.6.7 Bahrain Innovation Indicators

Table 24. QS University Ranking of Bahrain's Top Universities, 2024

Global Rank	University	Academic Reputation
582	APPLIED SCIENCE UNIVERSITY – BAHRAIN	18.2
751-760	AHLIA UNIVERSITY	12.8
951-1000	UNIVERSITY OF BAHRAIN	10.7

Source: QS Quacquarelli Symonds Ltd

Table 25. Top Intangible-Asset Intensive Companies in Bahrain, 2023

Rank	Firm	Intensity, %
1	NATIONAL BANK OF BAHRAIN BSC	52.33
2	BAHRAIN TELECOMMUNICATIONS CO BSC	63.01
3	BBK BSC	24.86
4	ITHMAAR HOLDING BSC	117.98
5	BMMI BSC	30.39

Source: Brand Finance

Table 26. Top Companies in Bahrain with Highest Global Brand Value, 2023

Rank	Brand	Industry	Brand Value, US$ Mn
1	AHLI UNITED BANK	Banking	328
2	ALBA	Mining, Iron & Steel	220

Source: Brand Finance

5.1.3 Initiatives to Promote Innovation Sector

5.1.3.1 Switzerland

SWITZERLAND

- Switzerland serves as a potential base for businesses seeking to create cutting-edge goods and services. With the presence of leading industry and technology clusters and business-friendly government policies, it offers a conducive environment for scientific research organizations and encourages collaborations between universities and private companies.
- Impulse programme Swiss Innovation Power (2020 – 2022) - The objective of the impulse program Swiss Innovation Power was to stimulate innovation activities, maintain innovative strength and secure the long-term competitiveness of small & medium enterprises (SMEs) in Switzerland in view of the pandemic. Within the scope of the impulse program, the contributions of the implementation partners could be reduced in comparison to the standard innovation projects.
- Under the Research and Innovation Promotion Act (RIPA), the Confederation is responsible for supporting research and innovation through the Swiss National Science Foundation (SNSF) and the Swiss Agency for Innovation Promotion (Innosuisse). It also provides funding for the Swiss Academies of Arts and Sciences and supports around 30 research institutions of national importance. Finally, the Confederation funds teaching and research at ETH Domain institutions.
- Energy Funding Programme 2013-2020 – The program aimed to develop and implement solutions for pressing issues relating to the energy transition in Switzerland. The core element was the establishment and management of eight Swiss Competence Centers for Energy Research (SCCERs) in seven action areas. Since 2014, the Competence Centers have developed numerous solutions for the technical, social, and political challenges relating to the Energy Strategy 2050. By bringing together academia and practice, they have made an important contribution to the transfer of knowledge and technology.

5.1.3.2 GCC

Embracing advanced technologies on a broader scale has the potential to unlock a myriad of business opportunities across various sectors, including enterprise software solutions, financial services, consumer goods, and retail. Various enterprises across the GCC nations are actively seeking to implement innovative technologies in order to establish novel business models and enhance customer experiences. The approach is critical for the region's economies and also aligns with their long-term ambitions to reduce dependence on revenues from the oil and gas sector. The pandemic led to an increased reliance on digital technologies, including video conferencing for remote communication, telehealth for remote diagnostics, digital banking for online payments and transfers, and a surge in e-commerce.

5.1.3.2.1 Saudi Arabia

- One of the key objectives of Saudi Arabia's Vision 2030 is to promote the growth and impact of small and medium-sized enterprises (SMEs). To achieve this, the government aims to improve the accessibility of funding for SMEs and encourage financial institutions to allocate a significant portion, up to 20 percent, of their overall funding to support SMEs by the year 2030. Additionally, efforts will be made to address and eliminate certain legal and administrative barriers that currently hinder the growth of SMEs.
- Saudi Arabia's commitment to harmonizing its Intellectual Property (IP) laws with international norms demonstrates a deep understanding of the crucial role of intellectual property in fostering innovation and driving economic growth. The country has undertaken significant measures to align its legislation with key international agreements, such as the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), as well as conventions administered by the World Intellectual Property Organization (WIPO). These reforms serve as a testament to Saudi Arabia's dedication to establishing a secure and predictable environment for intellectual property rights holders. The Saudi Authority for Intellectual Property (SAIP) is actively guiding the nation towards such advancements and adherence to global IP standards.
- Saudi Unicorns Program - A nationwide initiative designed to assist and empower rapidly growing technology companies in achieving unicorn status by offering a comprehensive range of services and support. This program aims to provide support and opportunities for high-growth technology companies in the Kingdom to achieve a valuation of $1 billion or more, commonly known as "unicorn" status. The inaugural cohort of the Saudi Unicorns program consists of 34 start-ups that have been selected to receive a comprehensive range of services and resources intended to enhance their businesses within Saudi Arabia and beyond. The Saudi Unicorns program comprises two distinct tracks. The first track, known as the Growth Track, focuses on assisting pre-seed stage tech start-ups in transitioning to the growth stage. The second track, known as the Scaling Track, is designed to aid high-growth companies that have demonstrated their readiness to expand into new local and international markets.
- National Transformation Program – The program was launched in 2016 and became the first Vision Realization Program established as part of Vision 2030. Its primary objective is to drive the strategic initiatives that are transforming Saudi Arabia into a leading nation. These initiatives encompass various areas, including empowering the private sector, achieving excellence in government, and fostering economic partnerships. The program is also playing a crucial role in accelerating the Kingdom's digital transformation. From the ability to start an online business within minutes to the convenience of attending court sessions remotely, these changes are designed to cater to the diverse needs of individuals, regardless of their location. Furthermore, the program has taken significant steps to create a more accessible and inclusive workplace. Additionally, the employment rates for individuals with disabilities have reached an all-time high, reflecting the program's commitment to fostering inclusivity.
- TAQADAM – It is a global start-up accelerator that leverages the extensive networks of King Abdullah University of Science and Technology (KAUST) and Saudi Awwal Bank. Since its inception in 2016, the program has been supporting start-ups at various stages of growth, empowering founders to push boundaries and make a significant impact. Throughout the six-month duration of TAQADAM, participating entrepreneurs receive valuable mentorship, access to a broad network, and funding to expedite the growth of their ventures. The program provides non-dilutive funding of US$ 40,000 to each selected team, and during the annual showcase, 10 start-ups have the opportunity to secure additional funding of US$ 100,000.
- In April 2024, Saudi Aramco announced expansion of its Saudi Accelerated Innovation Laboratory (SAIL) with two new centers in Riyadh to provide tech solutions for government sectors and specialize in digital product manufacturing. SAIL focuses on boosting digital capabilities and driving digital progress across Saudi Arabia. Partners include the Saudi Authority for Research and Innovation Development, King Abdulaziz City for Science and Technology, the National Industrial Development and Logistics Program, and the Ministry of Communications and Information Technology.
- Saudi Arabia is making progress in innovating and developing its country with a series of exciting new projects. These projects show the country's commitment to promoting innovation, sustainability and technology to drive growth and development.. The projects includes: The Red Sea Project, the Line, Diriyah Gate, Trojena, Sindalah, Oxagon, Amaala, among others

5.1.3.2.2 UAE

- UAE National Innovation Strategy (NIS) aims to take innovation in the UAE to new heights, where a culture of innovation is embedded amongst individuals, companies, and governments. It primarily focuses on identified priority sectors that will drive future innovation. The NIS Framework is structured around three key pillars, namely, an innovation-enabling environment, innovation champions, and innovation priority sectors.

- Innovation Strategy 2023-2026 - Emirates Health Services (EHS) launched the strategy in February 2023. It is a roadmap for moving forward, better embodying the vision and aspirations of our wise leadership, and achieving our goals to enhance the sustainability of the future healthcare sector. The strategy also aims to adopt pilot projects by developing experimental models, applying innovations and expanding their impact, strengthening partnerships to develop health innovation, and building strong support for healthcare start-ups.

- Mohammed bin Rashid Innovation Fund (MBRIF) - MBRIF is an initiative by the Ministry of Finance (MoF) to support the innovation ecosystem and innovators towards achieving prosperity and sustainability for the country by creating a positive impact on the UAE's transition to a knowledge-based economy. The MBRIF targets innovators and founders. It aims to nurture talents by attracting high-potential innovators to advance them towards achieving market traction, scale, and ultimately achieve business success.

- In March 2024, Dubai Electricity and Water Authority (DEWA) showcased over 50 innovative projects during UAE Innovation Month. These included: Artificial Intelligence (AI) Face and Emotions for Customer Happiness; AI for solar forecast; Duroob application; Hydroelectric Power Plant in Hatta; the smart MAI project: Leveraging Data Science and AI for proactively monitors the massive data of smart water meters and detects anomalous behaviours; Innovation Management platform based on the revamped (Afkari – Ebtikari) system; Electronic Breach & Attack Simulation; Application Security Code Review Process Automation, by utilising generative AI applications; Tello Drone for surveillance; future learning capabilities by MediaPro to enrich DEWA employees' learning experience; IoT Terminal Design and Operations to develop long-range low power network; Smart Planning for Distribution Network; Line Rating Assessment for power Transmission Network; Load disaggregation to monitor the energy consumption and loads of each individual device using AI and IoT; decision support tool for customer energy demand forecasting; and other AI-based innovative initiatives.

5.1.3.2.3 Qatar

- Qatar is making impressive strides in innovation and ranks 50th in the Global Innovation Index. Agencies such as the Investment Promotion Agency, Qatar Development Bank, Qatar Science & Technology Park (QSTP), Freezones, and the strong academic research institutes play crucial roles, resulting in Qatar becoming a fast-rising nation in innovation in the global innovation index.

- Qatar Open Innovation (QOI) - Developed and launched by QRDI Council, the program connects strategic entities within Qatar, such as government agencies and large local enterprises, with a universal pool of innovators and technical experts. QRDI Council works with local Opportunity Owners to identify and frame these opportunities, issue innovation calls, evaluate submitted proposals, and award winners to pilot innovative solutions.

- February 2024 - Invest Qatar introduced the 'Startup Qatar' program, which offers tax waivers, incubation support, and funding opportunities. The initiative supports Qatar's innovation-focused growth, outlined in its Third National Development Strategy.

- February 2024 - Qatar Airways showcased generative AI and innovations during Web Summit. These included an exclusive reveal of a prompt less Generative Artificial Intelligence (AI) experience designed to seamlessly help customers find their dream journeys across Qatar Airways' extensive network of 170 destinations.

5.1.3.2.4 Kuwait

April 2024- The Kuwaiti banking sector is poised for innovation as five new fintech firms have registered with the country's central bank to offer electronic payment solutions. In recent years, Kuwait has seen the introduction of major digital wallet platforms, providing consumers with convenient payment solutions. Google Pay partnered with Mastercard in 2023 to debut in Kuwait, enabling Mastercard debit and credit card holders to conduct contactless payments both in-store and online using their Android smartphones.

December 2023 - A bill was submitted on the establishment of the Public Authority for Artificial Intelligence (PAAI), a legal entity under the supervision of the minister that the Council of Ministers will specify. The tasks of PAAI are expected to include dealing with activities related to the organization and development of Artificial Intelligence (AI), drafting and submitting the required legislation and regulations, undertaking measures to promote the digitalization of public institutions, and enhancing the innovation of AI, among several others.

National Fund for Small and Medium Enterprise Development - The government enacted a law in 2013 to establish the "SME Fund." The fund is intended to combat unemployment, support the youth, and enable the private sector to steer economic growth. The SME Fund is an independent public corporation with a total capital of ~US$ 6.50 billion and provides finance up to 80% of capital for feasible projects submitted by Kuwaiti Citizens. The National Fund for SME Development focuses on building an inclusive, shared, and innovative ecosystem for entrepreneurs to discover economic opportunities in the country.

January 2019 - Kuwait launched an initiative to form a US$ 200 million fund for investments in technology as a step towards embracing a digital economy.

5.1.3.2.5 Oman

February 2024 - The activities of the Oman Innovation Festival in its first edition were launched today at the Muscat Innovation Complex under the slogan Knowledge. Partnership. Sustainability. The festival includes a number of events and activities directed to all actors in the innovation system. including the Innovation and Knowledge-Based Economy Forum. the Bridge Programme. the Consulting Corner. Governorate Innovation. the Together We Innovate Competition. the Energy Hackathon. and the Package Programme.

June 2023 -The National Intellectual Property Office (NIPO) at the Ministry of Commerce, Industry, and Investment Promotion of Oman announced a series of changes to the fees associated with intellectual property (IP) services and patent registration. The changes were designed to make it easier and more affordable for individuals and companies to protect their IP rights.

October 2022 - Omantel and the Central Bank of Oman (CBO) partnered to deliver an Accelerator Program dedicated to developing Fintech start-ups in the Sultanate of Oman. The Fintech Accelerator Program targeted promising, high-potential local startups with technologies that support digital lending solutions and aid in accelerating Oman's financial sector.

5.1.3.2.6 Bahrain

In March 2024, Bahrain participated in ITU's Digital Innovation Board inaugural meeting of the Innovation and Entrepreneurship Alliance for Digital Development's Digital Innovation Board.

The Kingdom of Bahrain has been focused on its economic growth and aims to lead the Gulf Area in the digital economy. The country has made significant strides in investing in financial technology (Fintech) and other emerging technologies.

As part of the Central Bank of Bahrain's (CBB) initiatives towards digital transformation of the nation's financial sector and developments in digital financial services, the CBB formed a devoted Fintech & Innovation Unit to ensure that the best services are offered to corporate and individual customers in the financial sector through an agile regulatory framework that fosters FinTech and innovation. This follows the CBB's other initiatives, including a Regulatory Sandbox.

The CBB's regulatory sandbox allows international and local FinTech firms and digitally focused financial institutions to trial innovative solutions in a regulated environment, permitting successful firms to obtain licensing upon successful product application.

5.1.4 Challenges in the Innovation Sector

5.1.4.1 Switzerland

The Swiss Innovation System and the Swiss economy are currently facing a range of challenges.

- Firstly, Switzerland's position in the development of new technologies and products and its ability to stay at the forefront of innovation is being tested by other countries. Geopolitical factors have intensified international innovation competition. In some sectors, for instance in mechanical, electrical and metal (MEM) industries and in MedTech, it has become much more difficult for Swiss firms to differentiate themselves from foreign competitors through new technologies. There is also increased competition across sectors with companies such as Amazon, Google, Amazon, Meta, Microsoft, Apple and other large IT companies and small start-ups. Furthermore, Switzerland's start-ups scene is overshadowed by other countries due to high cost of living and relatively small population. More than 14% of Swiss enterprises consider high innovation costs to be the most important problem that prevents them from investing more in innovation activities. In addition, Switzerland often has to adopt EU regulations in order to allow its companies to export to these markets. This adoption process, however, is often slow or even blocked for political reasons leading to increased uncertainty in large parts of the Swiss economy and weakening the position of Swiss companies against their foreign competitors.
- Secondly, policymakers in major countries are engaged in debates about the future of globalization, which is having a significant impact on the landscape of world trade and international capital investments. Notably, countries such as China, the EU, individual EU member states, and the US have implemented large-scale industrial subsidy programs. These programs aim to reduce external dependencies by promoting domestic sourcing for local firms, with the ultimate goal of achieving self-sufficiency in key technologies. As a result, initiatives like the CHIPS Act, Inflation Reduction Act, industrial subsidy programs in China, and the European Chips Act (ECA) explicitly focus on building up or reshoring production.
- Thirdly, the Organisation for Economic Cooperation and Development (OECD) countries have collectively decided to introduce a minimum tax, which will have implications for businesses and cross-border investments.

Overall, these challenges pose significant considerations for the Swiss Innovation System and the Swiss economy as they navigate a rapidly changing global landscape. It will be crucial for Switzerland to adapt and respond strategically to these developments in order to maintain its competitive edge and economic stability.

5.1.4.2 GCC

Although several enterprises in the GCC region are interested in digitization, few of them have gone ahead aggressively enough despite understanding the necessity of going digital.

- Some companies have moved forward with basic digitalization, while others have moved more aggressively but haven't scaled too high.
- Many enterprises, however, are still hesitant and have yet to formalize a strategy to action. Convincing decision-makers to adopt digitalization and analytics may require considerable capital expenditures and can also lead to drastic changes in ways of working. Additionally, digital transformation projects can require up to five years, with a breakeven point requiring another one to four years.

- Most GCC nations often adhere to or adopt a single standard in technical regulations, which is often based on International Electrotechnical Commission (IEC) standards or the International Organization for Standardization (ISO). Hence, Other international standards, such as those developed by US-domiciled standards development organizations (SDOs), are often excluded.
- GCC's exclusion of such other international standards can create significant market access restrictions for industrial and consumer products imported. Moreover, stakeholders from the industry are often not consulted for developing standards and technical regulations. Also, often, such stakeholders are not provided with clear guidance on implementation or sufficient transition time to comply.

Such challenges often lead to lower demand for innovative solutions and thus may hinder innovation.

5.1.5 Top Current Projects

5.1.5.1 Switzerland

- Federal Funding Programme for COVID-19 Medicines – The program supported innovative pharmaceutical projects that could contribute to a secure and rapid supply of COVID-19 medicines. The medicines were to be made available to the Swiss population by the end of 2022. Nine funding applications were received, with a total requested funding amount of around ~US$ 60 million, which were evaluated by experts on behalf of Innosuisse and the Federal Office of Public Health (FOPH). In late 2021, the federal government signed contracts with four companies based in Switzerland for the development of drugs to treat COVID-19. In 2022, the projects for two medicines were canceled due to insufficient effectiveness. The other two projects remain in the funding program, which, according to the Federal Council's decision of 26 April 2023, will continue until no later than the end of June 2024.
- Eurostars – The initiative promotes collaboration with partners from 33 EU nations, as well as South Korea, Canada, and South Africa, across all thematic areas. The program is aimed at innovative SMEs that develop products or services that differ extensively from existing products or services.
- Eureka – The initiative is a collaboration between 50 countries aimed at fostering cross-border cooperation projects in market-oriented research and development, which is independent of the framework programs of the European Commission. The initiative aims to reinforce the competitiveness of the member states through innovation projects.
- BRIDGE - Jointly offered by the Swiss National Science Foundation (SNSF) and Innosuisse, the program offers two funding opportunities for basic research and science-based innovation for young and experienced researchers.
- Flagship Initiative - The purpose of the program is to accelerate innovation in areas relevant to a large part of the economy or society and to uphold transdisciplinary project collaboration. The initiative strives for the development of solutions to current or future challenges that concern several actors and can only be solved through collaborative work. Innosuisse has defined specific but broad flagship topics in order to boost applicants to address issues that are of special interest to the potential well-being of the country and where new business models and solutions are required. This new funding program is complementary to the well-established and bottom-up oriented regular innovation projects.
- Swiss Accelerator - The competitive funding program is directed at individual start-ups and SMEs that are undertaking innovation projects with above-average innovation potential. The aim is to commercialize new and innovative products and services promptly and effectively, allowing acceleration of Swiss companies already present in the market.
- Innovation Cheque – The program is designed for SMEs or other types of organizations with fewer than 250 full-time employees. The enterprise can apply for an innovation cheque (preliminary study) worth up to ~US$ 17,000 to assess the viability of its innovation concept. The voucher enables them to commission idea studies and assessments of the innovation and market potential in collaboration with a Swiss research partner in all subject areas.

5.1.5.2 GCC

5.1.5.2.1 Saudi Arabia

- 2024 Alumni Engagement Innovation Fund (AEIF 2024) - AEIF provides alumni of US government-sponsored and facilitated exchange programs with funding to expand on skills gained during their exchange experience to design and implement innovative solutions for eradicating challenges facing their communities.
- February 2024 - Saudi Arabia unveiled the Artificial Intelligence (AI) Center for Media and the Future Camp of Generative Artificial Intelligence for Media. The launches were aimed at foreseeing the future development of AI and its applications in media and providing high-tech support for strengthening Saudi Arabian media's capabilities.
- February 2024 - SDAIA opened registration for the fifth batch of the "Future Intelligence Programmers," aiming to train 5,000 students in Saudi Arabia as part of a larger goal to educate 30,000 students across all batches.
- August 2023 – A US$ 200 million program was launched to fund early-stage investment in local and global high-tech enterprises as part of the King Abdullah University of Science and Technology (KAUST) strategy. The strategy aligns with Vision 2030's requirement to diversify the nation's economic resources. It aims to transform research into commercially viable innovations in sectors such as health, energy, industrial leadership, sustainable environment and essential needs, and economies of the future. The project also aims to provide quality opportunities for students, researchers, and faculty staff. It provides support to them to apply science and research to create a sustainable impact by strengthening international and local partnerships.
- May 2023 - The Innovation Award in the Military Industries was launched by Saudi Arabia's General Authority for Military Industries (GAMI) to encourage innovation in the sector, create innovative solutions to address the sector's challenges, increase spending efficiency, support a promising national industrial stage, and improve the level of services and infrastructure.
- August 2021 - Saudi Arabia announced several technological programs and qualitative initiatives with a total value of nearly ~US$ 1.0 billion in cooperation with ten of the world's key technology giants, which aimed to enhance digital capabilities and strive to generate one programmer out of every 100 nationals by 2030, along with encouraging innovation, creativity, and desire of achieving global leadership.

5.1.5.2.2 UAE

- UAE National Innovation Strategy – It was launched in 2015 and ranks among the largest innovation festivals globally. It represents a collaborative initiative involving the government, private sector, and individuals aimed at fostering a pervasive culture of innovation.
- In 2020, ADIO announced partnerships under its Innovation Programme with AeroFarms, Madar Farms, RDI, RNZ, FreshToHome, Pure Harvest, and NanoRacks to support innovative R&D projects in the AgTech sector.
- Ghadan 21 - Launched in 2019, it is a ~US$ 14 billion accelerator program that invested in programs that support and deliver the transformation of the economy and knowledge ecosystem. It also reacted swiftly to the exceptional circumstances presented by the pandemic, granting financial relief, ensuring continuous fiscal growth, and preserving economic gains.
- XPRIZE - In December 2020, ATRC's dedicated technology program management pillar ASPIRE partnered with the non-profit organization XPRIZE Foundation to launch this four-year Feed the Next Billion competition. The initiative is tackling food security globally by crowdsourcing and developing innovative alternatives to chicken and fish, with support from the Tony Robbins Foundation.
- 42 Abu Dhabi - An innovative, tuition-free coding school that utilizes peer-to-peer, gamified learning methods to cultivate creativity, self-discipline, and collaboration by giving students ownership of their learning without classrooms or teachers. The school was provided initial accreditation by the National Qualification Centre, is open 24/7, and operates out of a purpose-built warehouse campus in Mina Zayed.
- Hub71 – It was launched in March 2019 to facilitate the growth of innovation-focused start-ups in Abu Dhabi and has incubated 105 start-ups and raised more than US$ 380 million to date. It focuses on areas such as AI, space tech, edtech, fintech, and cyber security.

5.1.5.2.3 Qatar

- January 2024 - HundrED, a mission-driven organization that is transforming K12 education through impactful and scalable innovations, partnered with Qatar Foundation and launched the second HundrED Spotlight on Qatar 2025. The program aims to identify innovative practices that support building a knowledge-based future.
- Qatar-Spain Innovation Program (QASIP) – The QRDI partnered with Spain's Centre for Technological Development and Innovation (CDTI) to enhance collaborations between companies in both countries. The program encourages joint research and innovation projects between companies from both nations, focusing on shared interests. The program aimed to boost global competitiveness and expand market access for companies in both Spain and Qatar.
- Innovation Coupon - Provided by Qatar Foundation, it is a funding program for individuals and early-stage start-ups to aid them in formulating their ideas.
- November 2023 – QRDI Council and Enterprise Singapore (EnterpriseSG) announced the Qatar – Singapore Joint Innovation Challenge (QSJIC) as part of its participation at the Singapore Week of Innovation and Technology (SWITCH), held in Singapore in the last quarter of 2023.

5.1.5.2.4 Kuwait

- Kuwait Foundation for the Advancement of Sciences (KFAS) 2022-2024 Strategy – It is focused on funding research projects that address key, national priority areas through basic, applied, and policy research. Proposals are being accepted in energy, health, education, environment, food security, water, and digital transformation. The goal is not only to expand and build expertise in each key area but also to ensure the translation and adoption of research outcomes from these research grants as a means to foster and advance social and economic growth nationally, as well as contribute to scientific advancement globally.
- September 2017 - The government of Kuwait announced the launch of the Knowledge Economy Forum, aimed at modernizing governance based on what is known as a knowledge and innovation ecosystem. The announcement was aimed at developing an innovation ecosystem in Kuwait since such an ecosystem promotes knowledge-based economic development and is central to innovation-based growth.

5.1.5.2.5 Oman

- September 2023 - The Public Establishment for Industrial Estates (Madayn) and the Oman Indian Fertiliser Company (Omifco) signed an agreement to establish the Omifco Centre for Innovation and Entrepreneurship in Sur Industrial City. The center is expected to become operational by 2025 and is expected to provide various services to entrepreneurs, including shared workspaces or private offices. It will also offer consulting services, technical support, training programs, and seminars.
- June 2023 - The Ministry of Commerce, Industry, and Investment Promotion (MoCIIP) partnered with the Oman Vision 2040 Implementation Follow-up Unit to host a 10-day-long workshop. The aim was to bolster Oman's intellectual property (IP) system and support the adoption of a comprehensive national IP strategy. The partnership marked a substantial step forward for IP-related initiatives in the country. The workshop sought to promote the growth of Oman's IP sector, garner support for the adoption of a unified national IP strategy, and fortify Oman's IP system, bolstering the protection and enforcement of IP laws and rights.
- December 2022 - Madayn's Industrial Innovation Academy and Sohar University signed an agreement to strengthen the Sohar Production Company for Advanced Industries. The agreement comes to support the manufacturing sector and innovation in Oman. Through this agreement, advanced industries were planned to be promoted, which is one of the economic diversification initiatives to achieve Oman Vision 2040.
- November 2021 - Omantel and Ericsson launched an entrepreneurship program to support startups and innovators in the Sultanate within technology areas, including Customer Experience Technology, 5G, Cybersecurity, Big Data, and Internet of Things (IoT).

5.1.5.2.6 Bahrain

Bahrain FinTech Bay is one of the top fintech hubs in the MENA region. It incubates impactful and scalable fintech initiatives through acceleration programs, innovation labs, educational opportunities, and curated activities. The hub's collaborative platform is dedicated to promoting interaction, development, and acceleration of the fintech ecosystem. The hub partners with governmental bodies, corporates, financial institutions, consultancy firms, universities, venture capital firms, associations, and fintech startups to bring the full range of market participants together.

Tamkeen - The Labor Fund (Tamkeen) was established in 2006 to effectively contribute to the development of national cadres and the development of the national economy by improving the role of the private sector. During the previous years, it completed four strategic cycles designed according to the requirements of each stage while maintaining flexibility and the ability to adapt to market variables. The fund strives to establish the private sector as the main engine of economic growth. Accordingly, the fifth and current strategic cycle 2021-2025 is based on productivity as a source of sustainable growth.

5.1.6 Partnership Between Switzerland and GCC Countries

Switzerland has a strong trade and investment partnerships with the Gulf. On 14 October 2020, the Federal Council adopted a specific strategy for the Middle East and North Africa region (MENA Strategy) for the period of 2021 – 2024. This strategy identifies five thematic priorities: peace, security, and human rights; migration and protection of people in need; sustainable development; economic affairs, finance, and science; and digitalization and new technologies. Switzerland also wishes to support the Gulf countries in their efforts to professionalize their international cooperation. Switzerland takes advantage of Saudi Arabia's investments and presence in Africa and Asia to launch joint projects focused on sustainable technologies. Switzerland is also taking advantage of the opportunities offered by Saudi Arabia's diversification within the Vision 2030 program by getting the Swiss private sector involved, including in the Saudi financial sector (including fintech).

December 2023

Swisslog, a global leader in intralogistics automation and robotics solutions, is strategically supporting the rapid adoption of warehouse automation in the Kingdom of Saudi Arabia. Advancing its position as a global player across diverse sectors, the Kingdom's strategic shift towards a digitalized and automated future is gaining momentum. As part of Swisslog's global expansion plans, the company is poised to play a pivotal role in this transformation, driven by Saudi Vision 2030.

November 2023

UAE's EDGE Group acquired a 52% majority shareholding in Switzerland-based ANAVIA, a company renowned for designing, developing, and manufacturing versatile Vertical Take-Off & Landing (VTOL) systems. The acquisition was aimed at advancing EDGE into a market-leading position within the highly specialized domain of autonomous aerial systems.

October 2023

Saudi Arabia and Switzerland organized the first-ever Saudi-Swiss CleanTech Forum. The forum was a partnership between the Embassy of Switzerland in Saudi Arabia, King Abdulaziz City of Science and Technology (KACST), and the Research, Development and Innovation Authority (RDIA).

October 2023

Credit Suisse, one of the world's leading financial services providers, announced plans to establish a Global Technology Innovation Centre in Doha, Qatar. It is expected to develop local talent and support innovation, research, and development through specialized programs. The MoU aims to bolster the financial services sector by accelerating the business growth of Credit Suisse in Qatar and the wider Middle East region.

5.2 Environment and Renewable Energy

5.2.1 Introduction

Switzerland places a significant emphasis on the conversion of renewable energy sources into electricity and district heating. For many years, hydroelectric power has been the primary renewable energy source in the country, predominantly used for electricity generation. However, there has been a notable surge in the adoption of "new" renewable energy sources, including ambient heating, biomass, wind, and particularly solar energy, thanks to extensive measures implemented to promote their utilization. The Swiss government has implemented scaled-up initiatives to encourage the widespread adoption of these renewable energy sources. It has resulted in significant growth and development in the sector, with increased investments and advancements in technologies related to ambient heating, biomass, wind, and solar energy. These efforts have contributed to diversifying Switzerland's renewable energy portfolio and reducing reliance on traditional energy sources.

The GCC countries are promoting the energy and power sector by taking initiatives for renewable energy targets. By 2030, Saudi Arabia wants to use renewable energy to meet half of its energy needs, with gas covering the remaining half. United Arab Emirates (UAE) Energy Strategy 2050 seeks to achieve the country's economic needs and environmental objectives by utilizing a combination of clean, nuclear, and renewable energy sources. The goal includes 44% clean energy, 38% gas, 12% coal, and 6% nuclear energy by 2050. Moreover, Qatar is one of the world's largest liquefied natural gas producing and exporting nations in the world. In recent years, Qatar has taken significant steps towards diversification of its energy sources and to reduce its carbon emissions. Qatar targets 20% of its electricity to be generated from renewable sources by 2030 and a carbon-zero footprint by 2050. Additionally, Kuwait has a stated national goal of 15% renewable energy generation by 2030. Oman has also committed to net zero emissions by 2050. The Oman government is looking to expand its electricity generation capacities through renewable independent power projects (IPP). It plans to derive at least 30% of electricity from renewables by 2030. In addition, The Bahraini Electricity and Water Authority (EWA) has launched a national programme in collaboration with Energy Service Companies (ESCOs), to increase the efficiency of energy consumption in private and public sector buildings. This programme aims to save electricity consumption by around 975 GWh and reduce carbon emissions by about 488 kt by 2040.

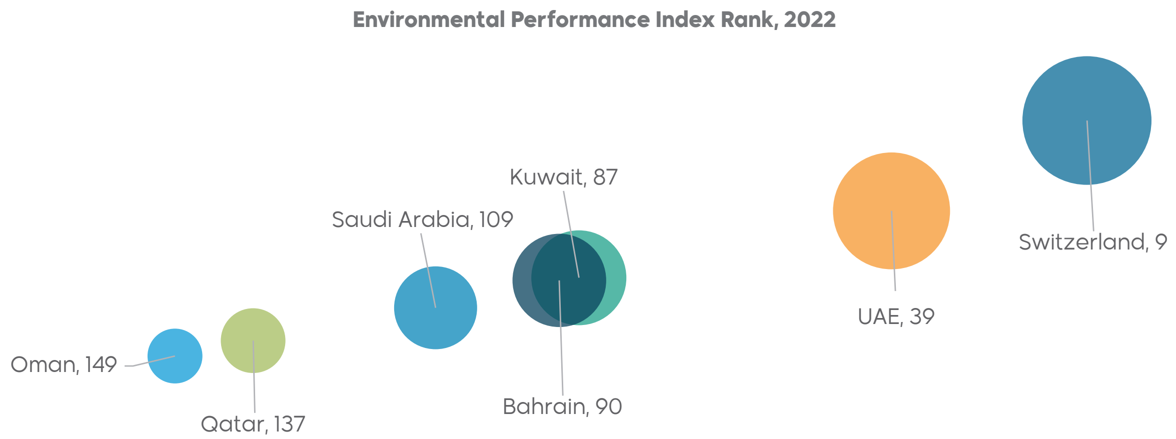
The intergovernmental organization International Renewable Energy Agency (IREA) and its partners planned a workshop in GCC Interconnection Authority (GCCIA) targeting regional initiatives to develop renewable power. The workshop partners, including GCCIA, discussed plans to launch a Clean Energy Initiative in the Region (Solar Bridge Initiative) to integrate larger amounts of renewable electricity in the power systems to support achieving the 2030 target of the Pan-region Renewable Energy Strategy. The government initiatives and commercial partners collaborate to promote the growth of the renewable energy sector in GCC.

5.2.2 Indicators of Environment and Renewable Energy

5.2.2.1 Environmental Performance Index Rankings, 2022

Environmental Performance Index (EPI) provides a quantitative basis for comparing, analyzing, and understanding environmental performance. The index offers a data-rich sustainability scorecard that translates cutting-edge scientific findings into policy insights. It ranks the countries on their national efforts to protect environmental health, enhance ecosystem vitality, and mitigate climate change. These indicators measure how close countries are to meeting internationally established sustainability targets for specific environmental issues. The overall EPI scores provide a way to identify sustainability leaders, locate policy weaknesses and anomalies, and aid countries in adopting programs that can aid to improve their scores. The EPI is based on several parameters including environmental health policy of each country, climate change mitigation efforts, and air quality.

Figure 16. Environmental Performance Index Rankings, 2022



Source: Yale Center for Environmental Law & Policy;Center for International Earth Science Information Network Earth Institute, Columbia University; The McCall MacBain Foundation

Table 27. Environmental Performance Index, Detailed Rankings, 2022

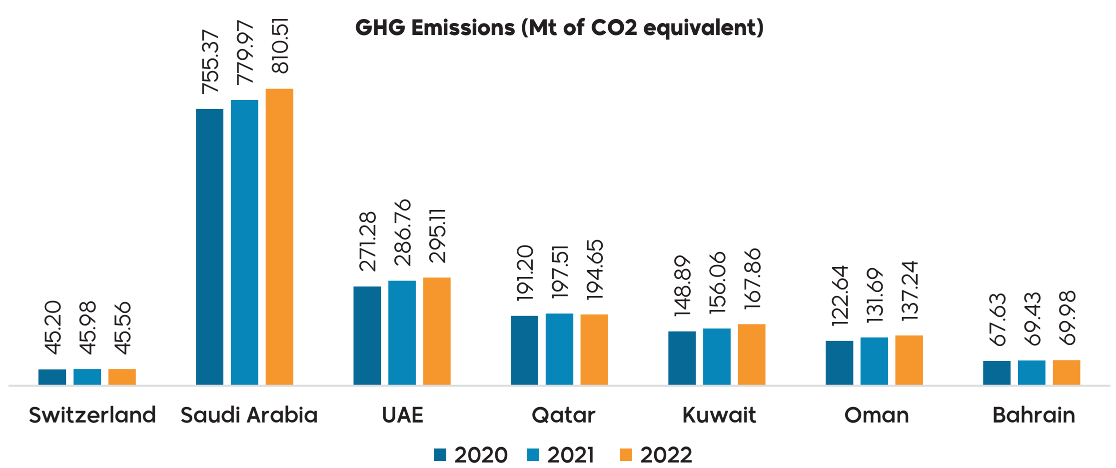
2022	Environmental Health Policy			Climate Change Mitigation			Air Quality			Environmental Performance Index		
	Rank	EPI Score	10-Year Change	Rank	EPI Score	10-Year Change	Rank	EPI Score	10-Year Change	Rank	EPI Score	10-Year Change
Switzerland	5	88.4	5.6	23	60.5	12.9	9	84.3	8.8	9	65.9	8.2
Saudi Arabia	80	42.4	6.7	157	24.8	17.6	99	32.8	7	109	37.9	9.5
UAE	55	49.4	2.6	117	34	17.9	69	41.7	1.8	39	52.4	15.9
Qatar	50	51.7	2.3	166	21.5	5.8	67	42.1	1	137	33	-2.3
Kuwait	51	51.5	6.3	124	32.3	11.6	51	47	8.6	87	42.4	15.2
Oman	92	39	5.6	162	23.2	11.1	105	31.8	6.7	149	30.7	6.4
Bahrain	68	45.3	6.1	92	39.9	8.8	91	34.7	7.7	90	42	5.7

Source: Yale Center for Environmental Law & Policy; Center for International Earth Science Information Network Earth Institute, Columbia University; The McCall MacBain Foundation

5.2.2.2 Greenhouse Gas Emissions

Total greenhouse gas (GHG) emissions in kt of CO_2 equivalent are composed of CO_2 totals excluding short-cycle biomass burning (such as agricultural waste burning and savanna burning) but including other biomass burning (such as forest fires, post-burn decay, peat fires and decay of drained peatlands), all anthropogenic CH_4 sources, N_2O sources and F-gases (HFCs, PFCs and SF6). A reduction in GHG emissions indicate that the environmental change policies undertaken by a country is yielding positive results.

Figure 17. GHG Emissions



Source: EDGAR – Emissions Database for Global Atmospheric Research

5.2.3 Initiatives to Promote the Environment and Renewable Energy Sector

5.2.3.1 Switzerland

Switzerland has set ambitious targets to combat climate change, aspiring to achieve net zero emissions by 2050 and decrease greenhouse gas (GHG) emissions by a minimum of 50% by 2030, as compared to 1990 levels. To support these goals, the government has introduced several pieces of legislation.

- The Energy Strategy 2050 strongly advocates for the prominence of renewable energies and aims to increase their share in total energy consumption significantly. Currently, renewable energy already accounts for over 25% of the total energy consumed, and this percentage is expected to be further boosted in the future. Various initiatives, including communication campaigns, financial incentives, and support for innovative research, are expected to drive the energy transition.
- Since 1990, the contribution of renewable energy to total energy consumption has witnessed a remarkable increase of over 10%. Although this share remained stable until 2006, it has been rapidly growing since then. As of 2020, Switzerland has surpassed the average renewable energy share in the European Union, with a figure of around 27% compared to just under 19% in the EU.
- These statistics highlight the progress made in Switzerland's transition towards renewable energy sources. The Energy Strategy 2050, coupled with effective communication, financial incentives, and support for research and innovation, is expected to propel the country forward in achieving its renewable energy goals.
- The Federal Act on Climate Protection Goals, Innovation, and Strengthening Energy Security provides significant subsidies to replace fossil heating and processes. Additionally, a revision to the CO2 Act, which includes measures to meet the country's 2030 targets under the Paris Agreement, is also being contemplated. The new proposed CO2 Act focuses on incentives rather than regulations and tax increases, with increased funding allocated to measures targeting the transport and building sectors. It also allows for a maximum of 40% of emissions reductions to occur abroad. Another important legislative revision is the 2018 Energy Act, which aims to replace indicative targets for renewable expansion and per capita energy consumption with binding targets and concrete measures to accelerate deployment.
- Energy efficiency plays a crucial role in Switzerland's strategy to achieve its energy and climate targets for 2030 and the net zero target for 2050. The country has successfully decoupled energy consumption from economic growth, with per capita consumption substantially below the International Energy Agency (IEA) average. However, a monitoring report published in late 2022 highlighted that current policy measures are insufficient to meet the 2030 targets. Therefore, it is important to prioritize energy efficiency as a core principle in new energy and climate legislation.

Switzerland acknowledges that by 2050, it will still emit approximately one-quarter of its current GHG emissions from hard-to-abate sectors. To offset these emissions, around 60% will be balanced through the use of net emissions technologies (NETs) both domestically and abroad. The country also plans to develop carbon capture and storage (CCS) technologies and infrastructure to mitigate the remaining approximately 7 million Mt of carbon dioxide (CO_2) emissions from waste incineration and concrete production. This signifies a substantial shift compared to the IEA's previous review in 2018, which did not include CCS and NETs in the proposed policy and technology mix. However, the federal government's ability to develop CO_2 transport and storage infrastructure within Switzerland is limited by the territorial planning authority of the cantons.

5.2.3.2 GCC

Oman, Saudi Arabia, Kuwait, the United Arab Emirates, Qatar, and Bahrain are counted among the top 25 countries recording the highest CO2 per capita emissions. Fossil fuels primarily cater to the regional domestic energy demands, and the charges for primary energy and electricity within the region are low. Among the GCC countries, Saudi Arabia holds the largest oil reserves (258.60 bbl), while Kuwait (101.50 bbl) and the UAE (97.80 bbl) follow, as per data by WorldAtlas.com . Additionally, Qatar is accredited with having one of the largest gas reserves (proved natural gas reserves - 843 trillion cubic feet (Tcf)). Due to the ease of accessibility of fossil fuels in the Gulf countries, investment is on the lower side in renewable energy sources.s.

5.2.3.2.1 Saudi Arabia

Saudi Arabia has around 15% of the world's proven oil reserves and is one of the biggest exporters of crude oil worldwide. Also, Saudi Arabia is adopting a series of measures to raise the capacity of its power sector to satisfy the rising demand from residential and commercial consumers. More importantly, the country wants to diversify its domestic energy mix.

Herein are some initiatives of Saudi Arabia to advance its energy sector:

Saudi Arabia plans to replace its 42% use of petroleum for generating 110-gigawatt daily electricity needs with an equal mix of renewable energy and natural gas by 2030. Also, the Ministry of Energy is slated to increase its spending on power and renewable energy projects to $293 billion by 2030.

Saudi Arabia established the Saudi Nuclear Energy Holding Company to focus on expanding its nuclear facilities.

Saudi Arabia plans to spend US$ 38 billion on energy distribution by 2030.

The 2021 Sudair Solar Plant Project was initiated by Saudi Arabia, which is expected to be the biggest solar plant in Saudi Arabia, and it will contribute to 70% of its total renewable energy by 2030.

5.2.3.2.2 UAE

The UAE, with its 100 million barrels of proven oil resources in Abu Dhabi, is the tenth largest oil producer globally. Its daily output of petroleum and liquids touches 3.2 million barrels. Approximately 30 % of the UAE's GDP is directly based on its oil and gas output, which contributes to almost 13 % of the value of its total exports.

More so, the UAE is introducing a host of schemes to meet the rising demand for utilities sustainably. It is investing in a balanced energy mix to cater to the increase in demand for energy resources.

Some of the UAE energy initiatives include:

- The UAE has been hosting the annual World Future Energy Summit (WFES) for clean energy and sustainability since 2008. Abu Dhabi sponsored the WFES 2023 from 16-18 Jan 2023 at the Abu Dhabi National Exhibition Centre (ANDEC).
- The Paris Agreement, signed in 2016 to aid climate change efforts, is another initiative by the UAE. Reducing greenhouse gas emissions and restricting the rise in global temperatures are some goals of this agreement.
- The United Arab Emirates also entered an MoC (Memorandum of Cooperation) on hydrogen with Japan in 2021.
- UAE and Russia partnership on hydrogen development in 2021, relating to the production, transportation, and storage of the fuel.
- The UAE initiated a Net Zero 2050 strategy, intending to reach net zero emissions by 2050. As part of this initiative, the UAE authorities are drafting plans to lower emissions while ensuring economic growth via sustainable solutions.

5.2.3.2.3 Qatar

Qatar is one of the world's largest liquefied natural gas producing and exporting nations in the world. The Qatar government has targeted a 25% reduction in greenhouse gas emissions by 2030. It is also aiming for a 60% reduction in groundwater extraction as well as wider recycling and water efficiency measures. In October 2022, Qatar opened its first major solar energy plant, Al Kharsaah. This new solar plant comprises more than 1.8 million solar panels expected to generate around 2 TWh of electricity per year. Further, Qatar announced a US$ 630 million investment in two solar plants in Mesaieed and Ras Laffan industrial cities. The two further solar power plants have a combined peak capacity of 880 MW and are expected to be operational by the end of 2024.

Qatar is taking a range of initiatives for the progression of its energy sector, for instance:

- In April 2024, Qatar General Electricity and Water Corp launched national strategy to add renewable sources to its energy mix. The initiative, developed in coordination with 22 key energy actors, aligns with Qatar's commitment to a sustainable future and the goals outlined in the Qatar National Vision 2030 and the Third Qatar National Development Strategy 2024-2030
- In February 2024, Qatar announced launch of Ras Laffan Petrochemical Complex with an aim to boost production to 14 million tonnes by 2026, marking a significant global industry expansion. The Ras Laffan Petrochemical Complex is a testament to Qatar's forward-looking energy strategy, underscoring the nation's commitment to sustainable growth and environmental conservation.

5.2.3.2.4 Kuwait

Kuwait is among the top 10 producers and exporters of total petroleum liquids. Also, Kuwait adopts the practice of burning fossil fuels for its energy generation and water desalination requirements. Kuwait is wholly reliant on fossil fuels for energy generation and by 2030, its energy demand will triple. The country also targets to increase the share of renewable generation to 15% by 2030. Moreover, Kuwait depends on oil and natural gas to meet its energy requirements. Each fuel accounts for ~50% of total primary energy consumption.

Despite Kuwait being wholly reliant on fossil fuels for energy generation, the country aims to enhance the share of energy generation from renewables to 15% by 2030. This is because the country anticipates its energy demand to triple by 2030 and thus is in the process of diversifying its energy mix.

Some initiatives & projects taken by Kuwait toward its energy sector growth include:

As part of the Kuwait Government's efforts towards achieving its renewable energy goals set in the Kuwait Vision 2035 and Kuwait's strategy for renewable and sustainable energy for the years 2030 – 2050, the Minister of Electricity, Water and Renewable Energy, announced several initiatives that include residential rooftop solar power, establishing a dedicated electricity and water regulatory authority, and renewable energy goals. These initiatives are expected to reshape the landscape of the environment and renewable energy sector in Kuwait.

In September 2023, Kuwait and China have signed seven memorandums of understanding on large-scale construction projects. These projects include completion of port, renewable energy, low-carbon recycling, water treatment schemes. This will further boost the energy sector of Kuwait.

5.2.3.2.5 Oman

The primary energy source in Oman is fossil fuels. Additionally, Oman exports its surplus energy supply to other countries. Despite the same, the country is undertaking substantial steps to increase power generation from renewable energy sources. Some of the developments relating to the energy sector in Oman include:

The Authority for Public Services Regulation (APSR) has introduced four innovative initiatives aimed at improving service quality and energy efficiency while addressing the growing demand for electricity and water services throughout the Sultanate. Under this initiatives, APSR announced the establishment of five new wind energy stations: Dhofar 2 (132MW), Sadah (99MW), Duqm (270MW), Mahout (400MW), and Jaalan Bani Bu Ali (105MW). Such new energy stations will promote huge growth of the Oman energy sector.

The Sultanate of Oman announced investment of more than US$30 billion in the hydrogen economy, with the prime aim to be one of the largest producers in the world by 2030. Under this, Oman aims to produce at least 1 million tons of renewable hydrogen a year by 2030, up to 3.75 million tonnes by 2040 and up to 8.5 million tonnes by 2050. Such investment in hydrogen energy and huge focus on renewable energy will further enhance the growth of the energy sector in Oman.

In October 2022, MEM unveiled a Green Hydrogen Strategy and announced the formation of Hydrogen Oman (Hydrom), a subsidiary of state-owned Energy Development Oman, to oversee development in the sector. Oman is targeting US$ 140 billion of investment in the green hydrogen industry and aims to achieve production of 1 million tons per year by 2030. This will promote huge growth of the Oman energy sector.

5.2.3.2.6 Bahrain

Among the oil-producing countries in the Gulf region, Bahrain is the modest oil and gas producer. However, the country's energy independence could increase due to recent discoveries in oil and gas. Besides, the Kingdom of Bahrain has two revenue-generating oil fields: the onshore Bahrain (Awali) field and the offshore Abu Safah field. Bahrain and Saudi Arabia are joint owners of the latter. Also, partnering with international companies, the Ministry of Oil and Gas of Bahrain is working to explore the large cache of gas from the deeper layers of the onshore field. However, the country is undertaking significant steps to increase power generation from renewable energy sources. Listed below are some of the developments in Bahrain relating to the energy sector:

In November 2023, Bahrain unveiled its National Energy Strategy: a clear, credible, and responsible pathway to reaching the climate targets. The Kingdom pledged to achieve at COP26, namely a 30% reduction in emissions by 2035 on the road to net-zero emissions by 2060. Such initiatives will boost the adoption of cclean energy in the country and thus the energy sector growth.

In 2024, Bahrain has taken a significant step towards adopting clean and sustainable energy solutions with the commissioning of its second-largest solar power project. Located at Dragon City, this initiative underscores Bahrain's dedication to reducing its carbon footprint and embracing sustainable practices for the next 25 years. Led by Vitol Bahrain, the project's completion within 18 months reflects concerted efforts to strengthen Bahrain's renewable energy infrastructure.

In 2023, Bahrain Mumtalakat Holding Company and Abu Dhabi Future Energy Company PJSC announced the signing of a Memorandum of Understanding (MoU) aimed at exploring collaboration opportunities in the development of clean and renewable energy projects in the Kingdom of Bahrain. Development of clean and renewable energy projects in the country will boost the growth of the energy sector

Bahrain's renewable energy pipeline consists of solar, wind, and waste to energy technologies. Some of Bahrain's key solar initiatives include planning for a solar farm project on the Askar landfill, delivering 100 megawatts of renewable power; a 50-megawatt initiative to install solar panels on the roofs of hundreds of government-owned buildings, and the potential installation of "floating solar" technologies to be deployed for power generation in Bahrain's territorial waters in order to address the problem of land scarcity for larger solar farms.

5.2.4 Challenges in the Environment and Renewable Energy Sector

5.2.4.1 Switzerland

- Process of Granting Permission
- Harmony Between Government Authorities
- Labor Shortage

5.2.4.1.1 Process of Granting Permission

The permitting processes for energy projects pose a significant obstacle to Switzerland's energy transition. These processes reflect complex governance and legal structures, resulting in lengthy legal proceedings that can delay projects for many years. Despite the Energy Act of 2018, which mandates cantons to designate areas for renewable energy, the practical impact has been limited due to the overall complexity of the approval process. It is thus crucial for the government to provide legal clarity on the designation of projects in the national interest to address such challenges. Currently, the Energy Act designates large hydro and wind projects as being in the national interest. However, it is important for this designation to also apply to all renewable power plants and their connection to the grid, as well as the construction and operation of electricity grids in general. Additionally, the energy security benefits of such projects should be considered when weighing the legal interests in individual cases.

5.2.4.1.2 Harmony Between Government Authorities

Switzerland's federal structure grants significant legal authority to the cantons, particularly in areas such as energy use in buildings, spatial planning, and water resources. Close collaboration between the federal and cantonal levels is therefore essential to advance the energy transition. While cantons have their laws, programs, and financing schemes, coordination at the national level is crucial. The model regulations developed by the Conference of Cantonal Energy Directors have played a role in harmonizing cantonal energy regulations for buildings and serve as a best practice example. A similar approach could be applied to enhance harmonization between cantons in other areas, including permitting processes and spatial planning.

5.2.4.1.3 Labor Shortage

A significant challenge for the energy transition in Switzerland is the shortage of qualified labor, which also affects the broader Swiss economy. Such shortage causes delays in project development and construction. In response, the Swiss Federal Office for Energy (SFOE) and relevant stakeholders launched a "training offensive" in late 2021, focusing on professions related to the building sector. While the initiative is commendable, it is also important for the government to closely monitor its implementation and provide additional support if necessary to ensure its effectiveness.

5.2.4.2 GCC

5.2.4.2.1 Extreme Reliance on Energy Exports

Changes in energy prices and emissions pricing may impact financial markets in GCC countries as these economies are heavily dependent on energy exports. The economic expansion of any country depends on the use of clean energy. The GCC economies are highly susceptible to the effects of climate change as they are likely to face up to 1% loss of GDP per year due to these changes according to data provided by International Atomic Energy Agency. Kuwait is one of the top 10 oil producers in the world and is home to the sixth-largest proven oil reserves. The economy of Kuwait is highly dependent on oil exports; ~90% of its export income comes from the oil industry, and the net oil export income makes up ~40% of its GDP.

GCC nations are prone to problems such as harsh environments. Moreover, significantly subsidized domestic consumption rates aggravate the difficulties associated with a heavy reliance on oil & gas exports. Natural gas makes up 75% of the energy mix used to generate power in GCC, while crude oil makes up the remaining 25%. The region is anticipated to boost its hydrocarbon export capacity by 437 million barrels by 2025. Despite relative financial stability and political & economic stability in a majority of GCC nations, the structural weaknesses of the Gulf economies due to their disproportionate reliance on oil and gas exports unveil a notable economic slump.

5.2.4.2.2 Challenges of Energy Transition

The Gulf Cooperation Council (GCC) countries face several challenges as they transition to a more sustainable energy future. Renewable energy projects are more expensive to build than traditional fossil fuel-fired power plants. This is a major barrier for GCC countries, resulting in high levels of debt.

The Gulf states are particularly vulnerable to the effects of the energy transition as both big producers and consumers of hydrocarbons. The reducing share of carbon-based energy in the global energy mix is irreversible, and demand for hydrocarbons is expected to decline by 2050. The Gulf economies' present recovery, fueled by a surge in hydrocarbon prices, demonstrates the continued structural importance of oil and gas earnings. Thus, energy transition acts as a challenge for the Gulf countries due to their reliance on fossil fuels and oil for energy and power.

5.2.5 Top Current Projects in the Environment and Renewable Energy Sector

5.2.5.1 Switzerland

- January 2024 - Swiss group launched two initiatives to control growth of wind power. The first initiative calls for wind turbines to be installed in locations other than forests and wooded pastures. The second initiative aims to ensure that all new wind turbines are subject to a binding referendum in the affected and neighbouring municipalities..

- December 2023 - Swissolar. the trade association representing the Swiss solar sector. anticipates that approximately 1.5GW of new solar capacity will be installed by the end of 2023. marking a nearly 40% increase compared to the capacity added in 2022. It thus foresees Switzerland's total installed solar capacity to exceed 6.2GW. Hence. it would account for 10% of the country's total electricity consumption in 2024. in line with the government's target set in 2011 to meet 10% of energy demand with solar power by 2025. In addition. Swissolar expects the solar market in Switzerland to grow by an additional 10% in 2024. This growth trajectory puts the country on track to add 2GW of new solar capacity annually from 2027. aligning with the government's objectives. The trade association also attributes some of the recent successes in the Swiss solar sector to the New Energy Act. a legislation implemented in 2017 that aims to reform the Swiss energy sector.

- June 2023 - The Swiss government has approved a plan to speed up construction of solar. wind and hydroelectric power stations to reduce Switzerland's dependence on foreign suppliers. According to Frank Rutschmann. head of the Renewable Energies section at the Swiss Federal Office of Energy (SFOE). it can take up to 20 years from the launch of a project to its completion.

- Floating solar park on Lac des Toules - Launched in December 2019. the Lac des Toules in Bourg-Saint-Pierre. Valais. has become the site of the world's first solar and floating park in the Alps. Romande Energie. a Swiss energy company, has installed 36 floating structures that support photovoltaic panels. The purpose of this innovative project is to harness the power of the dams and generate more electricity. The location at high altitude is particularly advantageous. as the energy yield is up to 50% higher compared to a solar park on flat terrain. This project demonstrates the potential for utilizing floating solar technology in mountainous regions to maximize renewableenergy production.

- GeniLac - The Services industriels de Geneve developed the project. and is the largest hydrothermal network constructed in Geneva. This cutting-edge thermal system harnesses Lake Geneva·s water to deliver both heating and cooling solutions for buildings in the heart of Geneva. Once fully operational by 2035. the project is expected to result in a reduction in electricity consumption equivalent to the annual usage of 27.000 households. The GeniLac project showcases the potential of harnessing lake water as a sustainable energy source to meet the heating and cooling needs of urban areas.

- October 2021 - Enerdrape, a spin-off company from EPFL. announced the development of groundbreaking underground thermal panels that can utilize the natural heat found in parking lots. tunnels. and basements. These panels are designed to convert this heat into a renewable energy source for meeting the heating and cooling requirements of buildings. The innovative solution offered by this start-up. based in Vaud. has the potential to provide up to 60% of a building's heat. The Vaud-based start-up's solution is not limited to existing buildings. It also presents an opportunity to incorporate renewable thermal energy into the design of new constructions. By utilizing the natural heat from underground spaces. Enerdrape aims to provide sustainable heating and cooling solutions that support the development of smart and energy-efficient cities.

5.2.5.2 GCC

Large, under-construction power plants across the Gulf Cooperation Council (GCC) aim to reduce carbon emissions while guaranteeing future water and power supply. Gulf countries strive to develop sustainable solutions for harnessing natural gas and solar energy and lowering CO_2 emissions in the seawater recovery process for potable use. Overall, GCC states are safeguarding their power and water supplies for future use by investing in sustainable projects. However, desalination and solar energy projects are gaining greater importance than earlier.

Solar photovoltaics (PV) is economical, which adds to its popularity in developing new projects in the GCC countries. As a result, Saudi Arabia, the UAE, Kuwait, Qatar, Oman, and Bahrain are expected to have 40 GW utility-scale PV projects by 2030, creating 124,000 solar PV jobs. A gigantic 5,000 MW Mohammad Bin Rashid Al Maktoum Solar Park is being developed in Dubai, and Abu Dhabi plans to add 3,500 MW of capacity across two sites. In addition, Saudi Arabia plans to set up projects to generate 10 GW of renewable energy. Qatar and Oman are also making investments in renewable energy projects.

FLOATING SOLAR PVS

- GCC considers floating solar installations (FPVs) on artificial water reservoirs and offshore FPVs as notable ways of improving the contribution of renewables in the energy mix, in addition to land-based solar projects. As per the Middle East Solar Industry Association (MESIA), FPVs have greater energy output, with an added 10% yield owing to the cooling effect of the nearby water, leading to less dust gathering on the panels.

PROJECTS IN UAE

- The UAE is taking measures to increase the use of renewable energy while planning to meet 50% of its electricity requirements via clean energy sources by 2050. It intends to invest ~AED 600 billion (~US$ 163 billion) in renewable energy sources. Thus, the UAE plans to be the first MENA country to reach its zero emissions target by 2050.
- Dubai's Mohammed Bin Rashid Al Maktoum Solar Park is among the large-scale renewable ongoing projects, targeting electricity generation of up to 5,000 MW by 2030. The colossal solar park, with investments amounting to AED 50 billion (US$ 13.6 billion), would help save more than 6.5 million tonnes of carbon emissions per year post-completion.
- In addition to large-scale and government-funded projects, Dubai plans to set up the Dubai Green Zone for clean energy projects. Also, the government is launching the Dubai Green Economy Partnership program to drive PPPs for new generating business opportunities in the sector. Further, the Al Dhafra Solar PV project in Abu Dhabi is the world's largest solar site, producing 2,000 MW of energy. After being connected to the grid in mid-2023, the park will be enabled to provide clean energy to a significant number of households.

GREEN INITIATIVEBSYS BY SAUDAI ARABIA, QATAR, OMAN, BAHRAIN AND KUWAIT

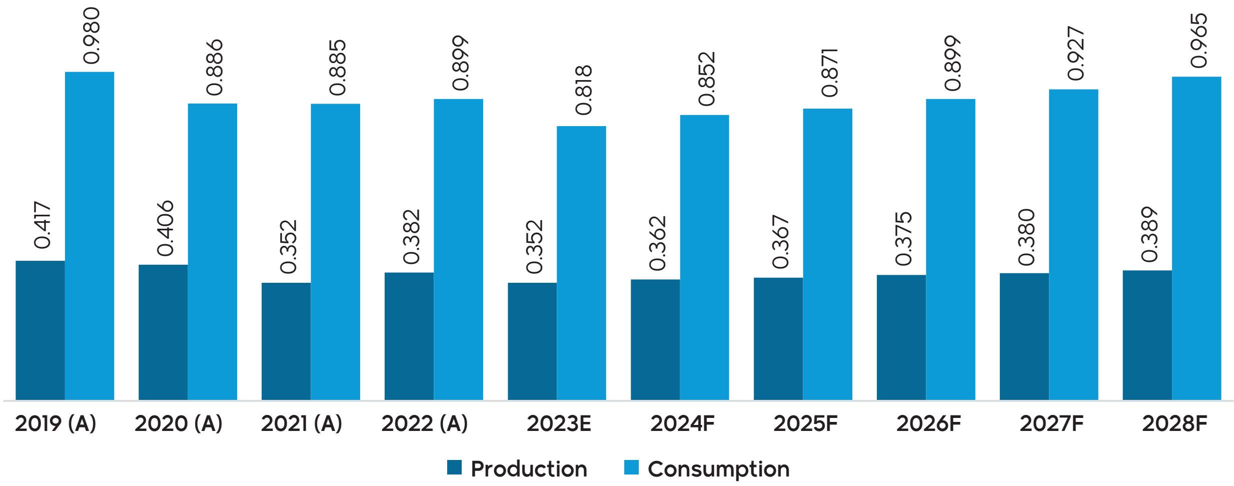
- Saudi Arabia is also making its foray into the green revolution. As stated by the MESIA. the country plans to add 10 GW of renewable capacity, primarily solar PVs. during 2022-2027. Also. to meet its target of becoming carbonneutral by 2060. the Kingdom of Saudi Arabia intends to improve its installed renewable energy capacity to 58. 7 GW by 2030. Solar energy is anticipated to account for ~68% of total energy production in Saudi Arabia by 2030.
- The Saudi Energy Procurement Company has installed two new solar projects in Saudi Arabia. having a total capacity of ~1.500 MW. Additionally, ACWA Power has partnered with Badeel. a Public Investment Fund subsidiary. to set up its second Shuaiba solar power station with a 2.060 MW capacity. Moreover. the Saudi Ministry of Energy has approved two solar energy projects with a collective capacity of 1.000 MW in Riyad.
- Smaller GCC countries are also venturing into solar projects to offset the high costs of fossil fuels. Qatar plans to produce 20% of its energy from solar energy by 2030 and launched its 800 MWp Al Kharsaah Solar PV Independent Power Producer project in 2022. It is the country's first large-scale solar project.
- In Oman. the government launched a 500 MW Ibri Solar Power Plant. its largest clean energy production facility, in 2020. Per MESIA. this project can help the country lower greenhouse gas emissions by up to 340.000 tonnes annually. Further. the Oman Power and Water Procurement Company (OPWP) plans to launch two solar energy projects. the Manah Independent Power Stations 1 and 2. with a joint capacity of 500 MW. in the private sector. Commercial operations at Plant 1 and Plant 2 will begin by late 2023 and early 2024. respectively.
- In January 2024. the government of Kuwait has launched a tender for solar projects with a total capacity of 1.1GW. to be installed at its Al Shagaya Renewable Energy facility in the west of Kuwait City. The Al Shagaya renewable facility will have a total capacity of 2GW.
- The Kingdom of Bahrain has taken a significant step towards adopting clean and sustainable energy solutions with the commissioning of its second-largest solar power project. Located at Dragon City, this initiative underscores Bahrain's dedication to reducing its carbon footprint and embracing sustainable practices for the next 25 years.

5.2.6 Total Energy Market and Forecast

The Gulf Cooperation Council (GCC) states – Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates are the Middle East's most important source of energy supplies, as well as an emerging economic powerhouse of global significance. The renewable energy deployment is growing significantly. Renewable energy deployment also remains highly concentrated in the GCC region, with the UAE accounting for more than 60% of the region's total renewables capacity and close to 70% of renewable energy investments as per data by the International Renewable Energy Agency; yet investments and deployments are expected to accelerate across all GCC states as they implement their renewable energy plans. The below graphs showcases the production and consumption of total energy production and consumption including coal, natural gas, petroleum & other liquids, nuclear, renewables and others for Switzerland and GCC countries:

5.2.6.1 Switzerland

Figure 18. Switzerland Total Energy Market Size and Forecast to 2028 (Quad BTU)

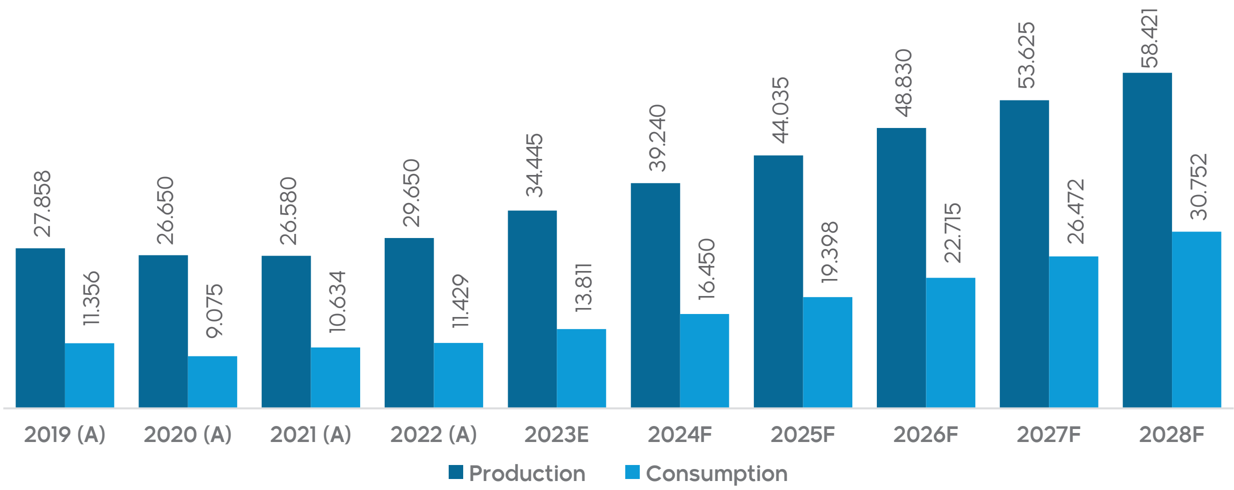


A – Actual, E-Estimated, F-Forecasted || Source: A – EIA, E & F – Analyst Team

The image shows the total energy production in Switzerland over the years 2019 to 2021, estimated for 2022 & 2023 and forecasted for 2024 to 2028. Switzerland production capacity declined from 0.417 Quad BTU to 0.353 Quad BTU in 2023 and is expected to reach 0.389 Quad BTU in 2028. Whereas total energy consumption capacity was 0.899 Quad BTU in 2022 and is expected to reach 0.965 Quad BTU in 2028.

5.2.6.2 Saudi Arabia

Figure 19. Saudi Arabia Total Energy Market Size and Forecast to 2028 (Quad BTU)

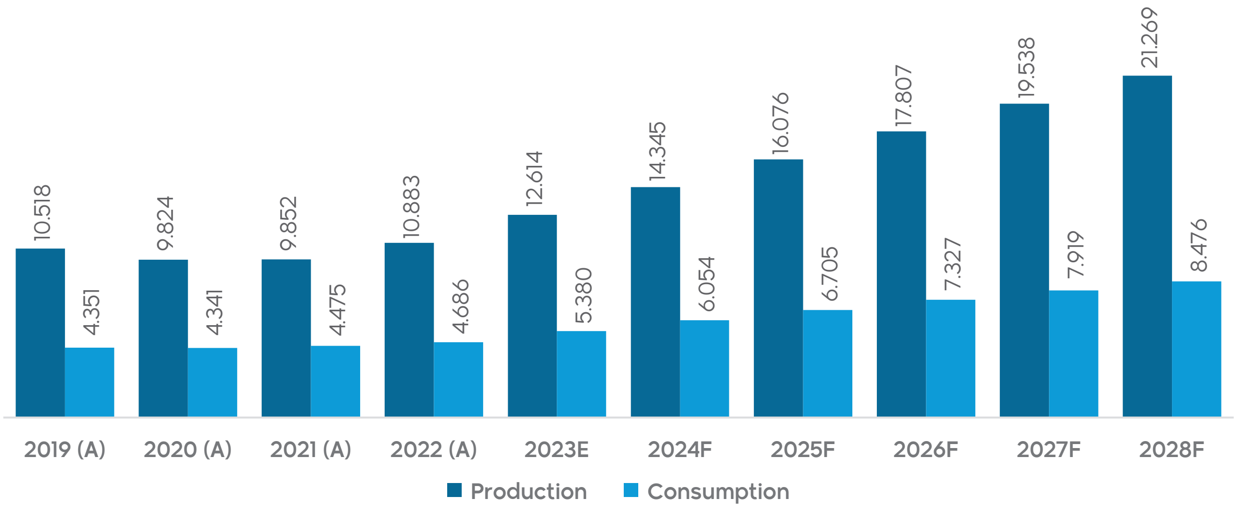


Actual, E-Estimated, F-Forecasted || Source: A – EIA, E & F – Analyst Team

The figure illustrates the total energy production and consumption in Saudi Arabia over the years 2019 to 2028. Saudi Arabia production capacity is expected to increase from 26.580 Quad BTU in 2021 to 58.421 Quad BTU in 2028. Likewise, Saudi Arabia consumption capacity is expected to increase from 11.429 Quad BTU in 2022 to 30.752 Quad BTU in 2028.

5.2.6.3 UAE

Figure 20. UAE Total Energy Market Size and Forecast to 2028 (Quad BTU)

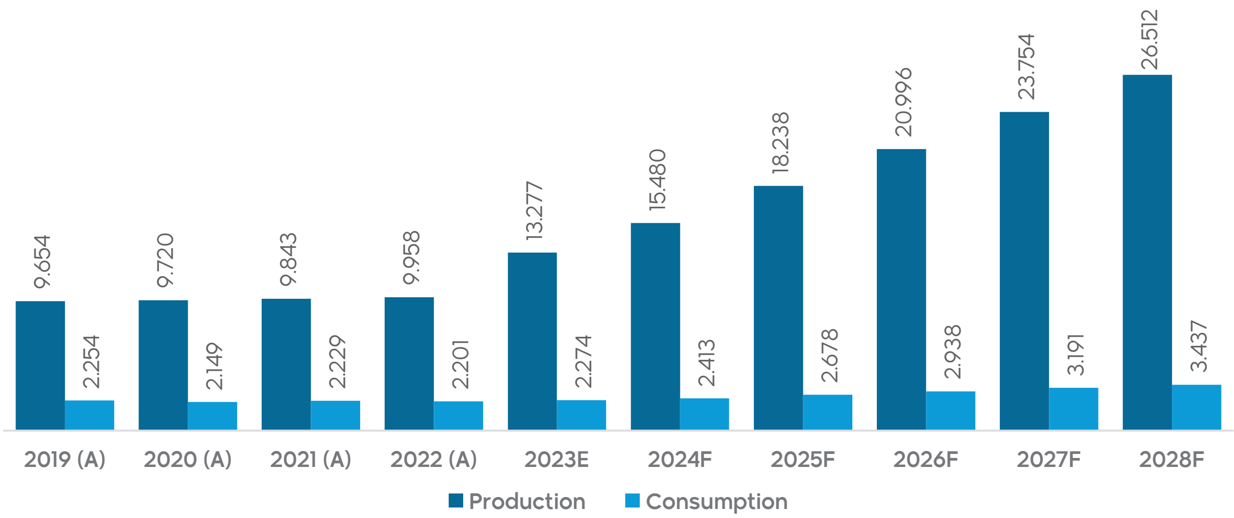


Actual, E-Estimated, F-Forecasted || Source: A – EIA, E & F – Analyst Team

The figure demonstrates the total energy production and consumption in UAE over the years 2019 to 2028. UAE production capacity has increase from 9.824 Quad BTU in 2020 to 9.852 Quad BTU in 2021. The UAE total energy production capacity is expected to reach 21.269 Quad BTU in 2028. The consumption capacity of total energy in the UAE is expected to increase from 4.686 Quad BTU in 2022 to 8.476 Quad BTU in 2028.

5.2.6.4 Qatar

Figure 21. Qatar Total Energy Market Size and Forecast to 2028 (Quad BTU)

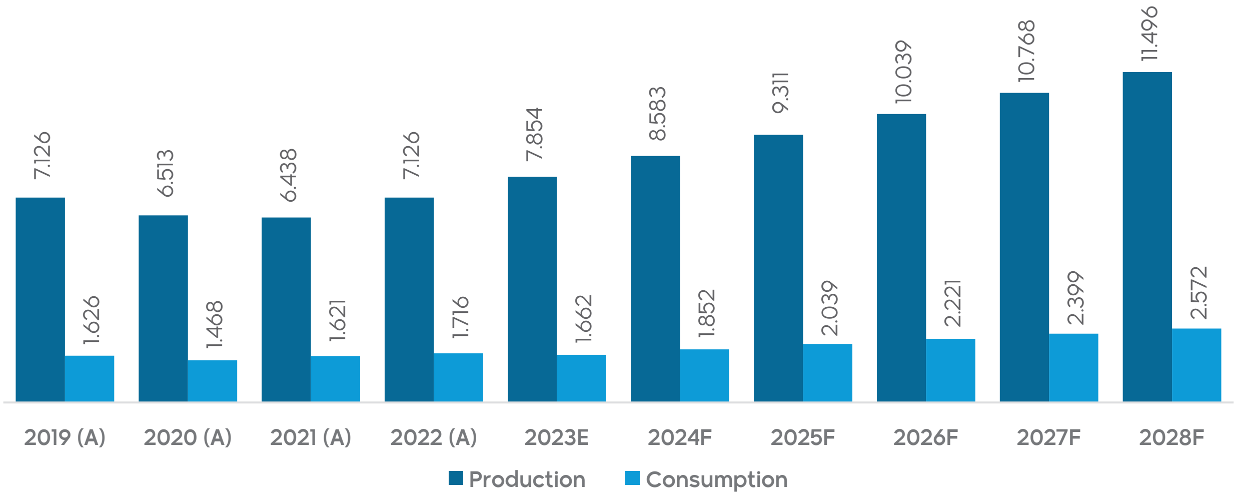


Actual, E-Estimated, F-Forecasted || Source: A – EIA, E & F – Analyst Team

The figure represents the total energy production and consumption capacity in Qatar from 2019 to 2028. Qatar production capacity is expected to increase predominantly from 9.654 Quad BTU in 2019 to 26.512 Quad BTU in 2028. The Qatar consumption capacity of total energy is expected reach 3.437 Quad BTU in 2028.

5.2.6.5 Kuwait

Figure 22. Kuwait Total Energy Market Size and Forecast to 2028 (Quad BTU)

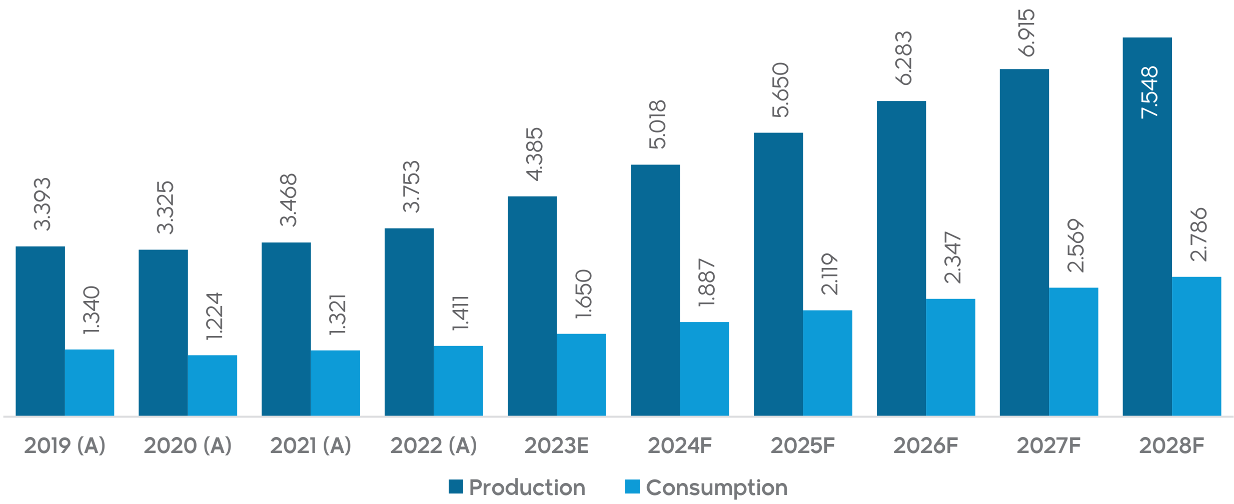


A – Actual, E-Estimated, F-Forecasted || Source: A – EIA, E & F – Analyst Team

The above figure demonstrates the total energy production and consumption capacity in Kuwait from 2019 to 2028. Kuwait is expected to experience slight increase in the production capacity from 7.126 Quad BTU in 2023 to 11.496 Quad BTU in 2028. Whereas the consumption capacity of total energy in Kuwait is expected reach 2.572 Quad BTU in 2028.

5.2.6.6 Oman

Figure 23. Oman Total Energy Market Size and Forecast to 2028 (Quad BTU)

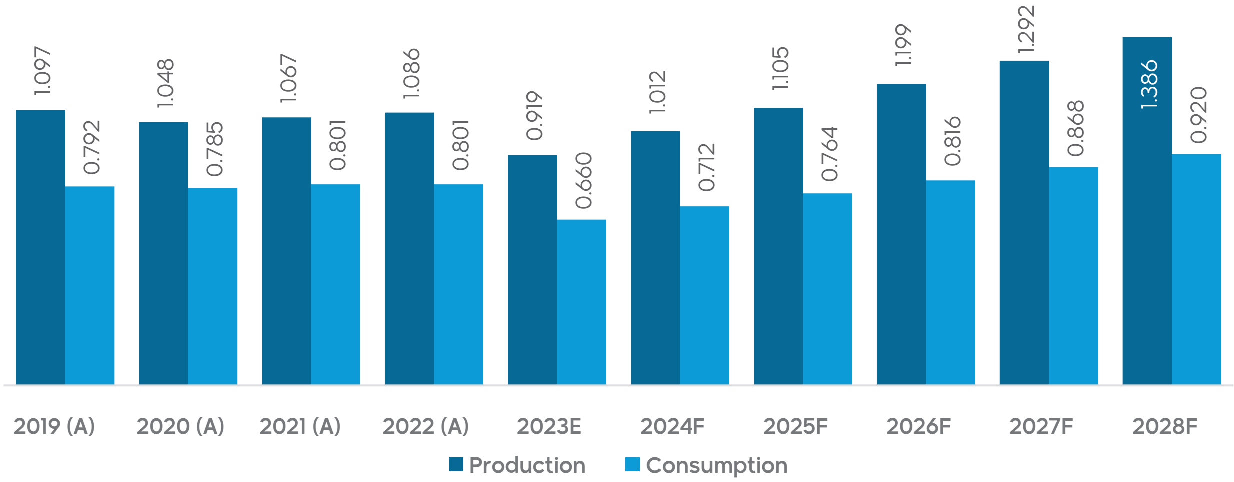


A – Actual, E-Estimated, F-Forecasted || Source: A – EIA, E & F – Analyst Team

The figure illustrates the total energy production and consumption capacity in Oman from 2019 to 2028. Oman has witnessed an increase in the total energy production capacity from 3.393 Quad BTU in 2019 to 3.468 Quad BTU in 2021. The total energy consumption capacity of Oman is forecasted to grow from 1.650 Quad BTU in 2023 to 2.786 Quad BTU in 2028.

5.2.6.7 Bahrain

Figure 24. Bahrain Total Energy Market Size and Forecast to 2028 (Quad BTU)



A – Actual, E-Estimated, F-Forecasted || Source: A – EIA, E & F – Analyst Team

The above figure demonstrates the total energy production and consumption capacity in Bahrain from 2019 to 2028. The production capacity of Bahrain is growing at a significant rate from 1.097 Quad BTU in 2019 to reach 1.386 Quad BTU in 2028. Similarly, the consumption capacity of Bahrain is expected to grow from 0.792 Quad BTU in 2019 to 0.920 Quad BTU in 2028.

5.2.7 Partnership Between Switzerland and GCC Countries

- In February 2024. Saudi Arabia and Switzerland announced a collaboration towards bolstering investments in zeroemissions projects aimed at launching financing initiatives in the debt market.
- In January 2024. Oman's Ministry of Energy and Minerals signed a MoU with the Swiss Federal Office of Energy to strengthen collaboration between the two entities in the field of sustainable and renewable energy, along with its associated technologies. The focus of the MoU was on green hydrogen projects. which encompass various stages such as production. processing, storage, and consumption. This collaboration aims to facilitate knowledge exchange on laws. regulations. and policies related to sustainable and renewable energy. Furthermore. it seeks to promote the integration of energy transformation value chains. trade rules. and certificates..
- In January 2024. ABB. a Swedish-Swiss multinational technology leader in electrification and automation announced a joint project with Saudi Arabia's The Red Sea Development Company (TRSDC) to supply digital solutions and power systems. The technology is expected to enable TRSDC's ambitious regenerative tourism undertaking on the Red Sea to run completely on renewable energy when finally completed in 2030.
- In October 2023. Lootah Biofuels. a prominent circular economy company specializing in the production of biofuel from cooking oil in the UAE. and Deasyl SA. a renowned Swiss technology provider known for its scalable and sustainable chemical processes. announced a strategic partnership. The partnership is expected to combine both the company's expertise and resources in the field of sustainable fuel production and scalable chemical processes. By leveraging their combined strengths. the companies aim to develop innovative solutions that aid in the growth of the circular economy and promote sustainable practices in the UAE and beyond.

- In October 2023. Dubai Electricity and Water Authority (DEWA) engaged in discussions with the Consul General of Switzerland in Dubai to explore potential avenues for enhancing cooperation between the two entities in the areas of clean energy, energy efficiency, and water management. Additionally, they discussed the possibility of collaborating on innovative initiatives and digital transformation endeavors. The discussions also centered around the potential for joint projects and partnerships that promote innovation and drive the digital transition in the energy and water sectors. Both parties expressed their commitment to exploring new opportunities and leveraging their respective expertise to achieve common goals in the pursuit of sustainable development.
- In September 2023. the inaugural Saudi-Swiss CleanTech Forum 2023 was hosted by Saudi Arabia. It served as a platform for Swiss SM Es to present their innovative solutions to address global challenges. combat climate change, and promote sustainability. The event was a result of a collaboration between the Embassy of Switzerland in Saudi Arabia. the Research. Development and Innovation Authority (RDIA). and King Abdulaziz City of Science and Technology (KACST). The primary objective was to strengthen international trade and economic relations between Saudi Arabia and Switzerland.
- In July 2023. a delegation from Oman's Ministry of Energy and Minerals visited Italy and Switzerland with the aim of strengthening collaboration. encouraging investment. fostering bilateral ties. and facilitating the exchange of knowledge in the areas of renewable energy, hydrogen. and energy storage systems.

5.3 Tourism

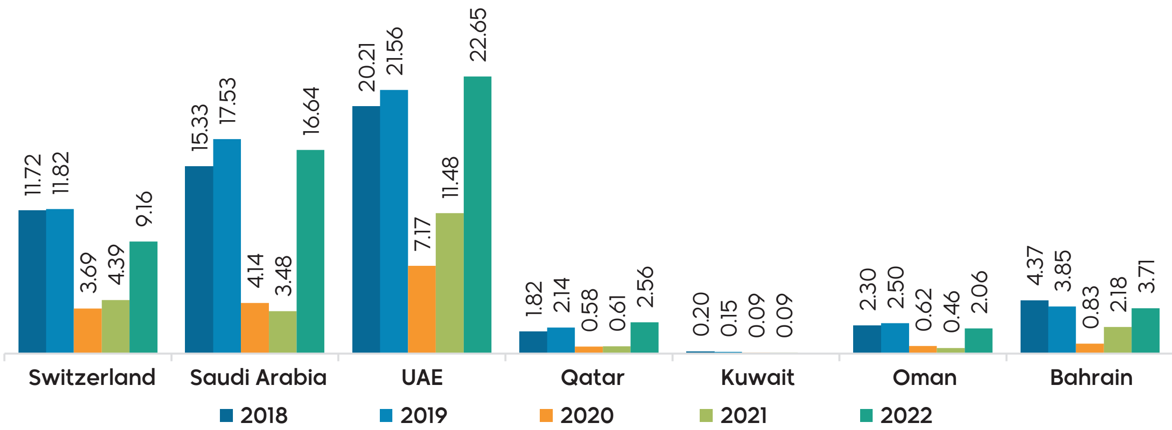
5.3.1 Indicators of Tourism

5.3.1.1 Inbound Tourism

Inbound tourism is a strong indicator of a country's tourism industry's growth or decline. To further illustrate, inbound tourism metrics include the number of international arrivals, the average length of stay, preferred destinations, and the overall impact of international tourism on the country's economy.

The image shows the inbound tourism arrivals for the Middle East countries and Switzerland over the years 2018 to 2022. Switzerland experienced a decline in tourism arrivals, from around 11.72 million in 2018 to 9.16 million in 2022. However, post Covid-19, the country is witnessing a steady growth in the number of tourism arrivals. Saudi Arabia saw a significant growth in arrivals post Covid-19, starting from around 3.48 million in 2021 and reaching over 16.64 million in 2022, possibly due to the country's efforts to promote tourism and diversify its economy. The UAE also witnessed a substantial increase, with arrivals growing from around 20.21 million in 2018 to over 22.65 million in 2022, reflecting its position as a major tourism hub in the GCC region. Qatar experienced a spike in arrivals in 2022, likely due to the FIFA World Cup hosted in the country that year. Kuwait, Oman, and Bahrain showed relatively stable or modest growth in tourism arrivals over the period, with Bahrain having the highest arrivals among these three countries, reaching around 3.71 million in 2022. Overall, the data highlights the growing importance of the tourism sector in the Middle East region, with countries like Saudi Arabia, the UAE, and Qatar experiencing significant increases in visitor arrivals, potentially driven by efforts to diversify their economies and promote tourism.

Inbound Tourism (Arrivals in Millions)



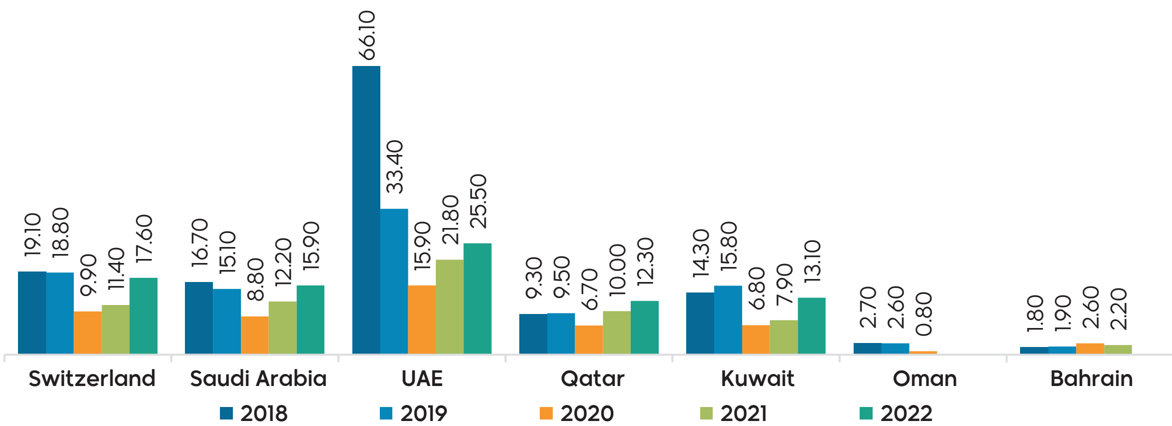
Source: UNWTO

5.3.1.2 Outbound Tourism

Cross-border tourism unveils several opportunities to enhance the global economy. It not only promotes international trade and cultural exchange but also nurtures ancillary industries such as travel insurance, visa processing, and foreign exchange services. The exposure gained through outbound travel augments business opportunities, benefitting regional economic growth.

The above figure shows the outbound tourism expenditure for countries in the Middle East and Switzerland over the years 2018 to 2022. Switzerland has consistent outbound tourism expenditure, with expenditure reaching around US$ 17.60 billion in 2022 after a dip in 2020, likely due to the COVID-19 pandemic's impact on international travel. Saudi Arabia's outbound tourism expenditure crossed US$ 15.90 billion in 2022, reflecting the growing affluence and travel interests of the Saudi population. The UAE's outbound tourism expenditure is driven by the country's high disposable incomes and its position as a travel hub. Qatar, Kuwait, Oman, and Bahrain have generally lower outbound tourism expenditures compared to the other countries shown, with Kuwait's expenditure reaching around US$ 13.1 billion in 2022. Overall, the growing affluence and travel preferences of populations in the GCC region, with countries like Saudi Arabia and the UAE experiencing significant increases in outbound tourism expenditure. Switzerland remains a major source market for outbound tourism, driven by its high income levels and travel culture

Outbound Tourism (Expenditure in US$ Billions)



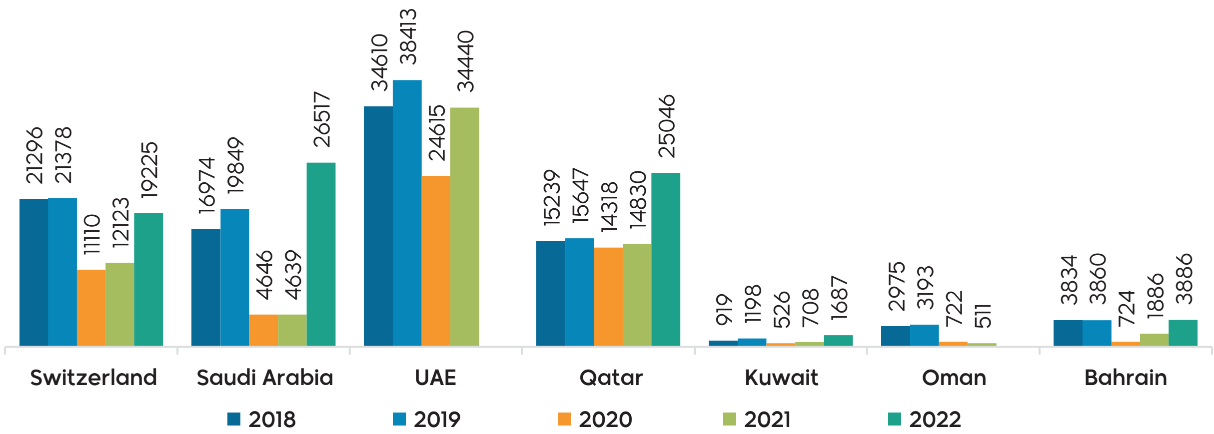
Source: UNWTO

5.3.1.3 Total Inbound Expenditure in Country

Inbound tourism expenditure is the tourism expenditure of a non-resident visitor within the economy.

The figure illustrates the total inbound expenditure for countries including Switzerland, Saudi Arabia, the UAE, Qatar, Kuwait, Oman, and Bahrain over the period from 2018 to 2022. Switzerland's inbound expenditure is strongly reflecting its popularity as a tourist destination. Saudi Arabia experienced significant growth in inbound expenditure, rising from around US$16.97 billion in 2018 to over US$ 26.51 billion in 2022, likely due to the country's focus on promoting tourism as per Saudi Vision 2030. The UAE also saw a substantial increase in inbound expenditure, growing from around US$ 34.44 billion in 2021, solidifying its position as a major tourism hub in the region. Qatar witnessed a sharp increase in inbound expenditure in 2022, reaching around US$ 25.04 billion, compared to around US$14.31 billion in 2021. This spike can be attributed to the hosting of the FIFA World Cup in 2022, which drew a large influx of visitors to the country. Kuwait, Oman, and Bahrain had relatively lower inbound expenditures compared to the other countries shown. Kuwait's inbound expenditure reached around US$1.68 billion in 2022, while Oman's and Bahrain's inbound expenditures were around US$ 0.51 billion in 2021 and US$ 3.88 billion in 2022.

Total Inbound Expenditure in country (US$ Mn)

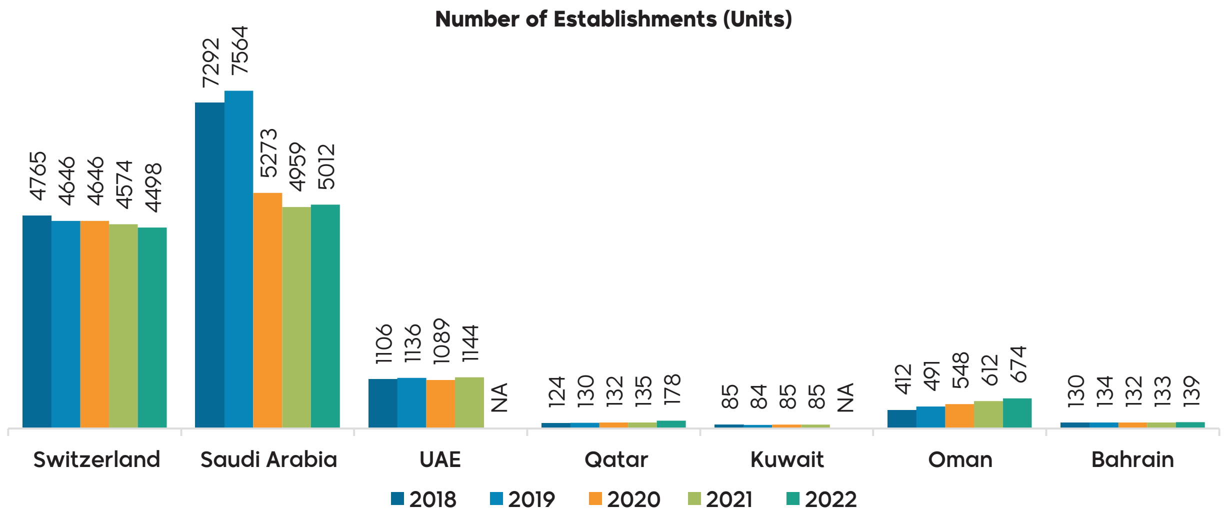


Source: UNWTO

5.3.1.4 Number of Establishments in Country

The number of establishments in the country is a great indicator of a growth or decline in tourists for the country.

The figure illustrates the total number of establishments for countries including Switzerland, Saudi Arabia, the UAE, Qatar, Kuwait, Oman, and Bahrain over the period from 2018 to 2021. Saudi depicts higher number of establishments amongst all the GCC countries having 5273 in 2020 and 4959 in 2021. The UAE witnessed significant growth in the number of establishments rising from 1089 in 2020 to 1144 in 2021. The Oman's number of establishment has grown from 412 in 2018 to 674 in 2022.

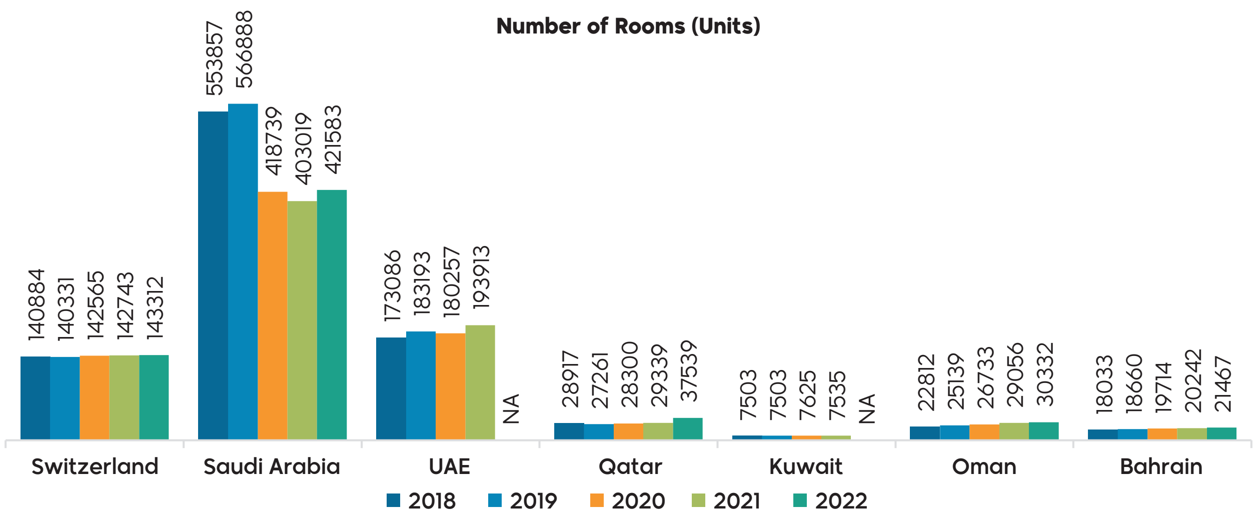


Source: UNWTO

5.3.1.5 Number of Hotel Rooms in Country

The increase or decrease in the number of rooms in hotel establishments in the country is a great indicator of a growth or decline in tourists in the country.

Switzerland has the highest number of rooms among the countries shown, with around 142743 rooms in 2021, reflecting its relatively higher tourism industry compared to the GCC countries. Overall, the data reflects the varying stages of tourism development and investment in hotel infrastructure across these countries. The GCC nations, particularly Saudi Arabia, the UAE, and Qatar, have been actively expanding their hotel room capacity to accommodate the growing tourism demand. At the same time, Switzerland maintains a more modest hotel industry commensurate with its tourism volume.

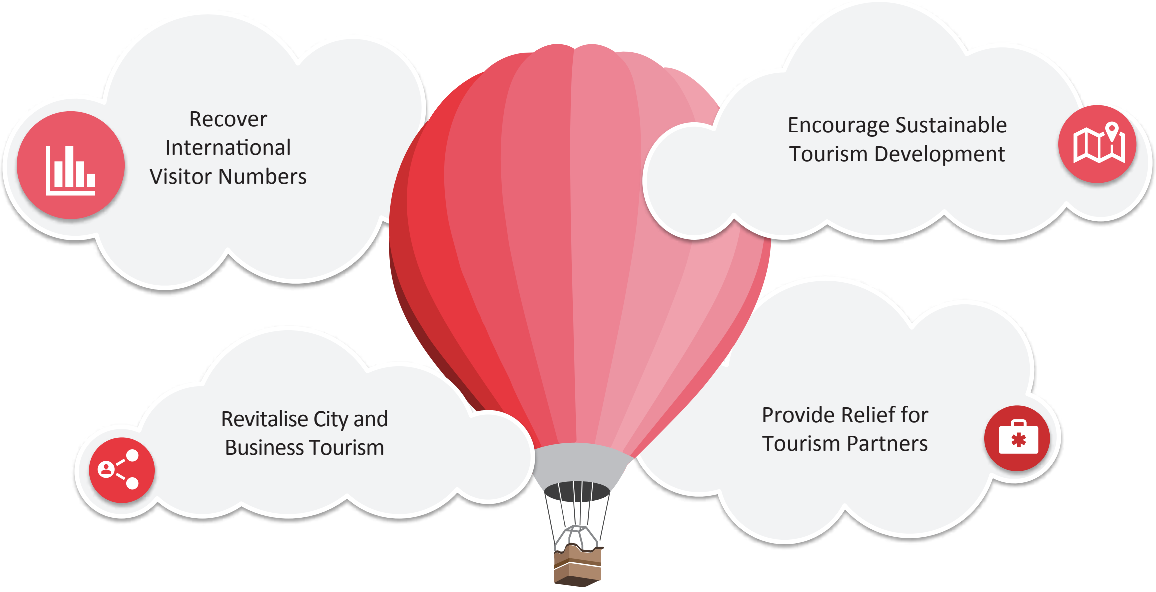


Source: UNWTO

5.3.2 Initiatives to Promote Tourism

5.3.2.1 Switzerland

Switzerland Tourism implemented a tourism recovery program in 2020–2023. The program has four key actions:



Key Highlights of Swisstainable Strategy

Source: OECD

- **Recover International Visitor Numbers-2022**: Switzerland is being presented as a desirable tourist destination in international markets to win back international visitors. The focus will be on local markets, solo travelers, and small groups. In addition, land-based arrivals will be largely studied, and corresponding offers will be created and promoted.
- **Revitalize City and Business Tourism-2022:** Cities are being focused on positioning them as "City Nature Resorts," thus marketing them as a starting point for Swiss holidays. The planned activities should help the cities attract visitors and help city hotels achieve higher occupancy rates. At the same time, business tourism is to be stimulated to open up new market segments, such as reimagined event concepts to match post-pandemic scenarios.
- **Providing Financial Relief for Tourism Partners-2022:** The lack of international guests led to a reduction in visitor tax revenue for destinations and a lower turnover for service providers. The financial support for tourism partners adds up to 50% of the additional federal government contribution of ~US$ 17 million. These relief payments enabled tourism partners to participate in Switzerland Tourism's marketing campaigns despite reduced budgets.
- **Encourage Sustainable Tourism Development-2021:** Activities include the "Stay Longer" initiative to motivate guests to extend their stay can reduce the ecological footprint and, at the same time, increase added value. Another starting point for promoting sustainable development was created with the 'Swisstainable' campaign in Swiss tourism. It is intended to promote sustainability-oriented tourism and position Switzerland as the world's most sustainable travel destination.

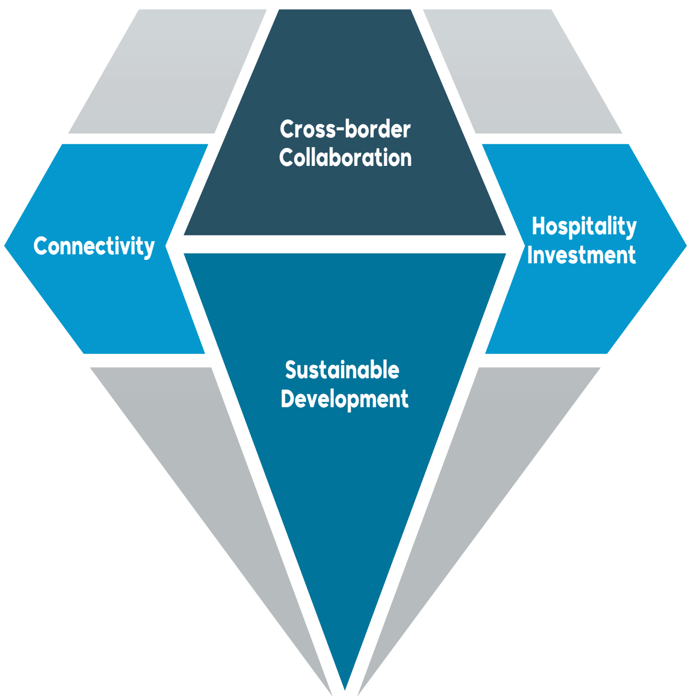
- The four tourism strategy funding instruments are key to achieving its objectives. These are Innotour (promoting innovation, cooperation, and knowledge creation in tourism), the Swiss Association for Hotel Credit (SGH), Switzerland Tourism (ST), and the New Regional Policy (NRP).
- An application for funding for these instruments is submitted to Parliament every four years, along with the Dispatch on Promotion Activities. Innotour had ~US$ 34 million, and Swiss Tourism had ~US$ 262 million in funding available for the 2020–2023 promotion period. T
- The NRP had ~US$ 225 million in loans that it could grant for investments and ~US$ 135 million in grants to cover sunk costs associated with projects with a regional economic impact. The financing activities of the SGH were based on an existing federal financing facility of ~US$ 265 million.

5.3.2.2 GCC

In the last few years, GCC governments have started giving importance to tourism and have included it as a part of their long-term strategy. However, with the impact of COVID-19, tourism revenue in the GCC declined by up to US$ 17 billion, representing a drop of approximately 30%, similar to other countries around the world.

Similar to other countries, GCC governments also took important steps to revive the travel and tourism industry. Further the government efforts to incentivize this sector are helping enterprises in the tourism sector to set up shops, hotels, restaurants, and other facilities.

Furthermore, cross-border collaboration is another opportunity for GCC countries to grow regional tourism. Collaboration of various organizations frameworks such as airports, public transport facilities, and leisure operators is also creating new opportunities for the tourism sector to increase potential earning options.

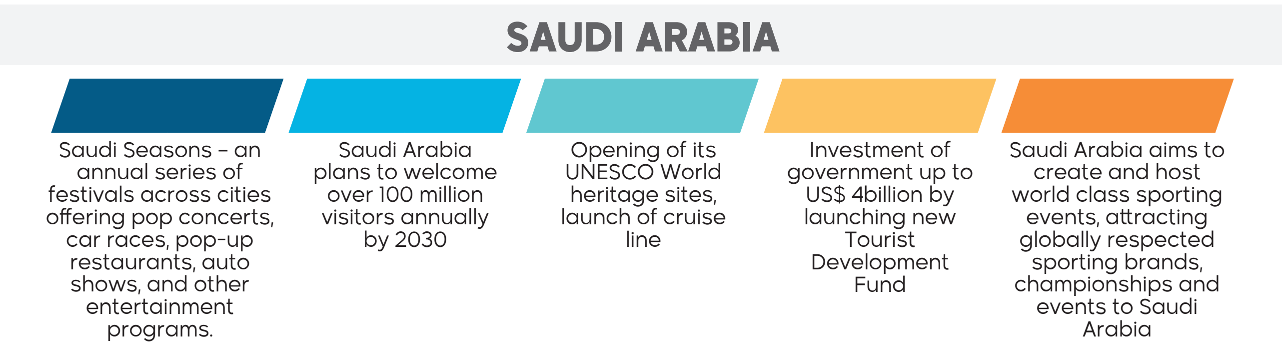


The GCC countries are using their many advantages to boost their tourism sector. These advantages include their strategic location, well-connected infrastructure, world-class theme parks, skyscrapers, cultural and heritage sites, natural wonders, and islands. These attractions draw visitors from all over the world. Further, GCC countries are promoting their countries as multi-visit destinations. For instance, the UAE promotes itself as a destination with excellent infrastructure, seamless connectivity, a wide range of entertainment venues, the capability to host international events, and substantial investments in hospitality.

5.3.2.2.1 Key Initiatives to Promote Tourism in UAE

Source: Dubaitourism.gov

5.3.2.2.2 Key Initiatives to Promote Tourism in Saudi Arabia

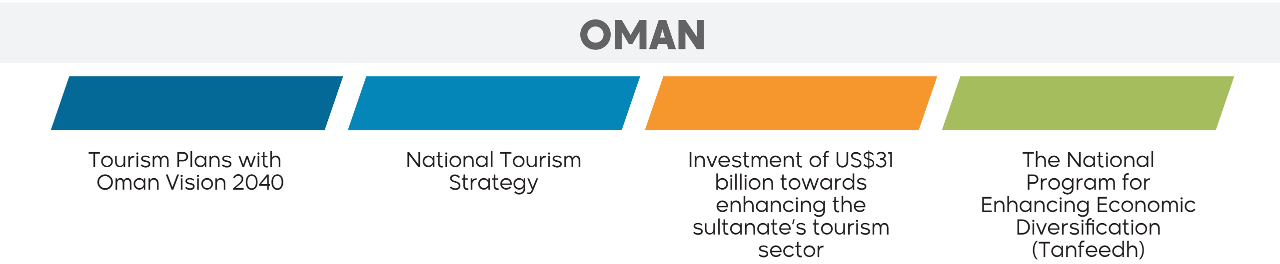


Source: Dubaitourism.gov

Saudi Arabia is promoting its natural beauty, cultural heritage, and religious sites, such as Mecca and Medina. The tourism sector in Saudi generated ~ 925.5 thousand jobs in 2023 and is expected to increase the number of jobs by approximately 1 million by 2030. Saudi Arabia has seen an increase in luxury retail with the opening of luxurious hotels and lifestyle projects. Riyadh, with its developed retail infrastructure, has also experienced a substantial uptick in tourism. Overall, offering personalized packages, opulent tours, and shopping experiences to tourists in the country represents a lucrative business opportunity in the luxury market. Major investments and key public-private partnerships (PPP) have helped the country further improve the tourism sector by establishing new accommodations, airports, restaurants, new cities to visit, and smart city implementation. The tourism law of the country was amended in March 2023, in line with the government's Vision 2030 objectives to diversify the nation's economy. The updated law, which was issued in August 2022 pursuant to Saudi Arabia Cabinet Decision No. 79/1444, repealed the previous tourism law promulgated by Royal Decree No. M2/1436, and supplemented 10 broad Implementing Regulations for governing hotels as well as hotel management services, among others. In September 2022, Saudi Arabia's Ministry of Hajj and Umrah introduced Nusuk, an official digital platform designed to facilitate the planning of visits to Makkah and Medina for religious purposes.

This initiative aligns with the Vision 2030 Pilgrim Experience Programme. Additionally, in early 2023, 92 broadcast and seven communication towers were installed in the Holy Mosque in Makkah, aiming to improve the digital infrastructure in the city and provide better connectivity for pilgrims.

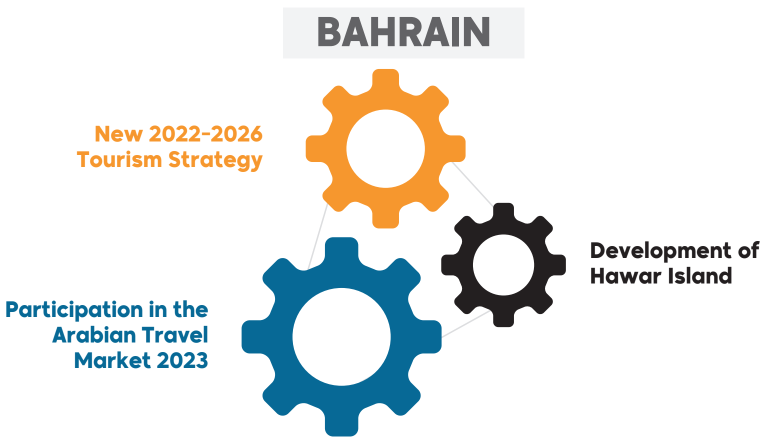
5.3.2.2.3 Key Initiatives to Promote Tourism in Oman



Source: International Trade Administration

Oman is highlighting its coastlines, unique geography, and cultural heritage. A critical economic pillar of Oman's 2040 Economic Vision and also Omani Tourism Strategy 2040 is to increase revenue from tourism. As per the Ministry of Heritage and Tourism, the contribution of the tourism sector to the GDP was 2.4% in 2021, and the country aims to increase it to 5.0% by 2030 and 10.0% by 2040. The aim is to increase the number of visitors to 11.7 million by 2040 through an investment of US$ 51 billion. It is estimated that such an investment will generate more than US$ 22.5 billion a year from tourism by 2040.

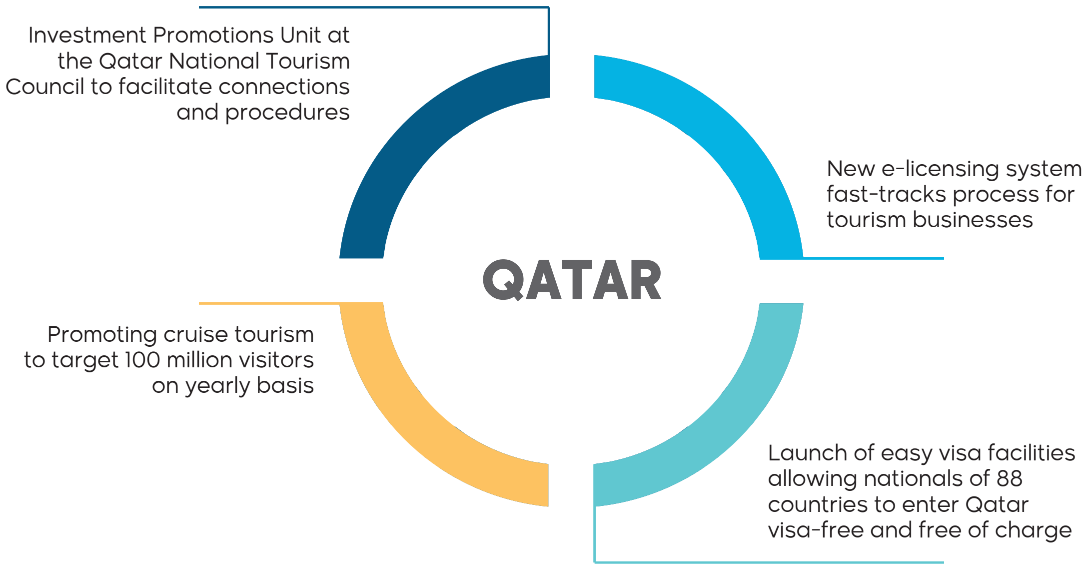
5.3.2.2.4 Key Initiatives to Promote Tourism in Bahrain



Source: International Trade Administration

Bahrain is committed to nurturing a thriving and dynamically expanding tourism sector, with the aim of not only enhancing its reputation as a prominent hub for regional and international tourists but also fostering stronger tourism cooperation within the GCC region. The country is known for organizing the Formula 1 Grand Prix and is working to attract more tourists to its other attractions. In October 2023, the Bahrain Tourism and Exhibitions Authority (BTEA) announced plans for launching initiatives aimed at strengthening Bahrain's position as a primary global tourist destination. The declaration follows Bahrain's achievement in Manama being chosen as the capital of Gulf tourism for the year 2024 during the 7th meeting of the ministers responsible for tourism in the GCC countries.

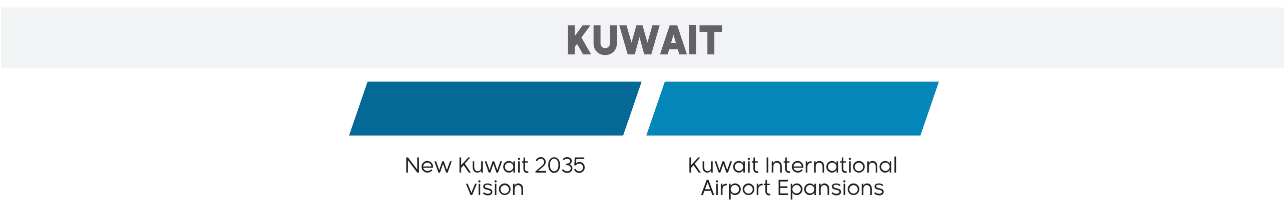
5.3.2.2.5 Key Initiatives to Promote Tourism in Qatar



Source: International Trade Administration

Qatar is also well known among international tourists for hosting the FIFA World Cup. Additionally, the country is aiming to increase its tourism contribution to GDP by up to 10% by 2030 with the help of promotional strategies such as the launch of a two-year 'World Class Chefs' project to host renowned chefs from around the world.

5.3.2.2.6 Key Initiatives to Promote Tourism in Kuwait



Source: Qatar Government Communication Office

Meanwhile, Kuwait has also strategized its redevelopment plans for 11 major projects to improve domestic and international tourism. Kuwait has set up its objective for 2035 to develop tourism, entertainment, and shopping industries to enhance overall economic development. The country is targeting to improve medical tourism to improve its positioning at the global level as a medical center. In February 2024, the Ministry of Interior of Kuwait announced plans to resume the issuance of visit visas for family, commercial, and tourism purposes under new regulations.

5.3.3 Challenges in the Tourism Sector

5.3.3.1 Switzerland

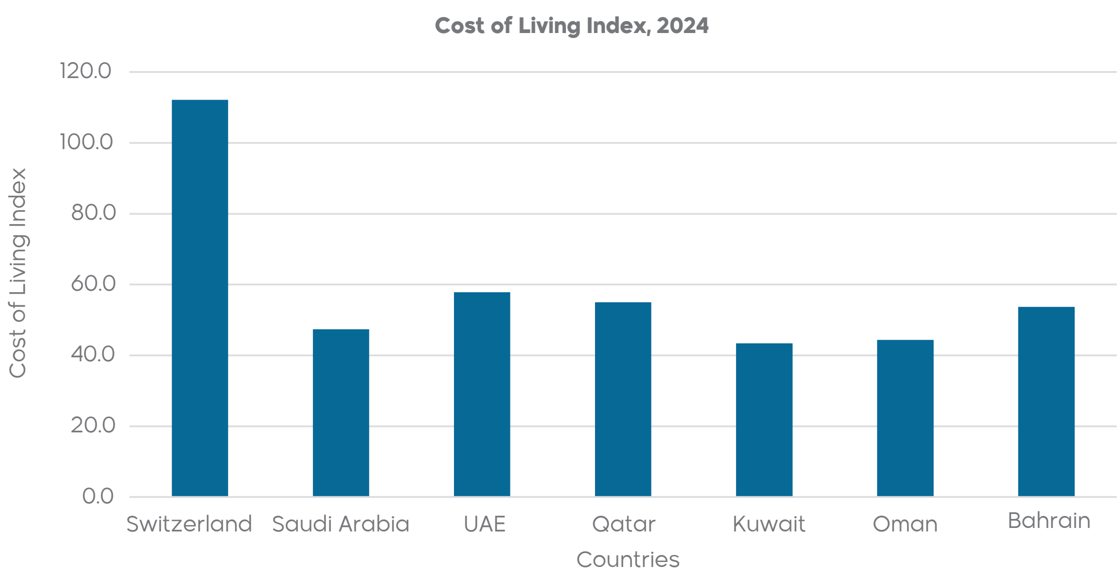
Swiss tourism is facing major challenges, including rising costs, rapidly changing market trends, climate change, difficulties in recruitment, and rising standards of digitalization. The Swiss tourism industry is particularly affected by climate change; the Alpine region is climate- and weather-dependent and especially exposed to natural hazards. Nevertheless, this industry is an important contributor to the Swiss economy, providing employment and generating income.

Tourism is closely interlinked with climate change, both as a cause and as a casualty. It is also responsible for a large portion of greenhouse gas (GHG) emissions from leisure-related transportation and high energy consumption in the activity and accommodation sectors. Sea level rise, snowpack reduction, glaciers melting, and increase in frequency of natural hazards, among other adverse impacts, both modify tourism flow and damage infrastructures. Such instances cause many tourist destinations to become vulnerable and fragile. The increasingly extreme weather phenomena caused by climate change are disrupting the tourism industry in the country.

5.3.3.2 GCC

The high cost of living is a significant challenge for the tourism industry in GCC nations, coupled with extreme weather conditions. Living expenses can be quite high in the GCC nations, especially in well-known tourist areas such as Dubai or Doha. It might limit a region's appeal to a particular segment of the tourism market and present difficulties for travelers on a tight budget.

Figure 25. Cost of Living Index in 2024



Source: Numbeo

Figure 26. Challenges in the Tourism Sector in GCC

Conservativeness

Conservativeness: GCC countries are quite conservative at the socio-cultural level, along the lines of lifestyle, ethnic, and religious traditions, as well as various permutations associated with national and regional forms of citizenship. However, to uplift their position, GCC countries have started providing various types of tourism, such as leisure tourism, beach and sun tourism, and organizing various international-level concerts and events.

Environmental Issues

Environmental Issues: As GCC countries are situated in places wherein water resources are limited, the construction of artificial coastlines can hamper fragile desert environments. GCC countries are solving these issues by promoting Green and sustainable tourism as their tourism strategy product. Further, heavy investments in the development of infrastructures have also helped GCC countries attract a large number of tourists even after having limited resources in comparison to Western and European countries.

Rising Fuel Price and Shortage of Labor

Rising Fuel Price and Shortage of Labor: Due to the onset of the COVID-19 pandemic, many foreigners working in the hospitality industry moved back to their origin country, which led to workforce shortages in major hotels and restaurants when GCC countries witnessed a high influx of visitors after relaxation in restrictions. Similarly, due to global inflation, the countries faced a rise in fuel prices and related commodities, which led to a hike in the overall pricing of food, beverages, and services. However, with the rising investments by foreign companies and government initiatives in the tourism sector, the hospitality industry and food industry are experiencing growth in terms of visitors, foreign currency, and labor.

5.3.4 Top Current Projects in the Tourism Sector

5.3.4.1 Switzerland

- **In February 2024**, Switzerland Tourism have signed a strategic memorandum of understanding with the Saudi Tourism Authority aimed at encouraging mutual promotion and collaborative tourism projects between Saudi Arabia and Switzerland. Under this, the Saudi Tourism Authority and Switzerland Tourism will jointly organise events, exhibitions, and conferences in both nations with an aim is to boost the visibility and appeal of both Saudi and Switzerland as premier tourist destinations.
- **In July 2023**, a newly launched cable car route connected Zermatt in Switzerland with the Italian Alpine resort town of Cervinia. The new route is the final link in the larger line connecting the resorts of Zermatt, Switzerland, and Cervinia, Italy, with the Matterhorn in constant view. The first part of the project was the Matterhorn Glacier Ride I, which connected the Trockener Steg station to the Klein Matterhorn station in 2018. The second and new 3S cableway called the Matterhorn Glacier Ride II, begins from the Klein Matterhorn cable car station at 3,883 meters and connects with the Testa Grigia Valley station in Italy at 3,458 meters. The complete route, called the Matterhorn Alpine Crossing, takes about an hour and a half with stops.
- **In March 2023**, Switzerland Tourism unveiled its new film, directed by Oscar-winning director Tom Hooper, to promote rail travel and the Grand Train Tour of Switzerland. Lawn tennis legend and the global brand ambassador of Switzerland Tourism—Roger Federer—partnered with Trevor Noah, international comedian, best-selling author, producer, and patron for the film titled 'The Ride of a Lifetime.' The film showcases the ease and efficiency of the Swiss Travel System and highlights the famous panoramic rail routes that combine to make the Grand Train Tour of Switzerland.
- **In July 2021**, Switzerland Tourism re-launched its Million Stars Hotel project. The project features "hotel rooms" dotted throughout the country, where guests can experience nature in its purest form and also in an entirely exclusive location meant for two. The types of accommodation on offer vary per their locations, but all offer an unobstructed view of the starry night sky.

5.3.4.2 GCC

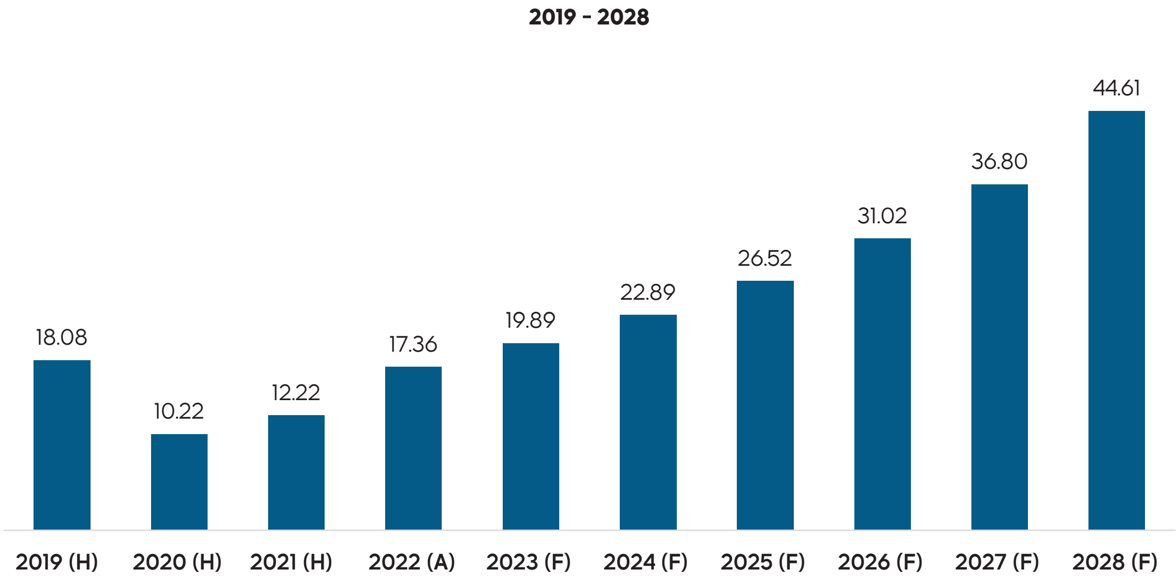
- Arabian Travel Market is one of the leading international travel and tourism events, which is organized in Dubai annually, witnessing growth opportunities with more than 2,000 exhibitors and 34,000 attendees from all over the world participating in the trade show.
- Tourism-related upcoming and ongoing projects include Marsa Al Arab, a US$ 1.7 billion mega tourist resort near the Burj Al Arab, the new IMG Worlds of Legends theme park, a Formula One theme park at Dubai's Motor City, Six Flags at Dubai Parks and Resorts, in addition to a number of planned shopping malls and cultural venues.
- Saudi Arabia's tourism project, named The Red Sea Development Co (TRSDC), plans to have 16 hotels completed by the end of 2023; the project aims to attract 300,000 visitors annually. The project is set in a 28,000 sq. km area that contains an archipelago of 92 islands, mountain ranges, dunes, and 50 dormant volcanoes.
- The Neom Smart City Project in Saudi Arabia is another major objective of the 2030 strategy. This is a US$ 500 billion project, including four major sub-projects named The Line, Trojena, Oxagon, and Sindalah.
- Another project in Saudi Arabia, named Amaala, which is focused on yachting and wellness activities, is in the first phase of development and is set for completion in 2024; it will consist of six hotels and more than 1,000 rooms. At completion by 2027, it will offer about 3,000 rooms in about 25 hotels, as well as 200 high-end retail establishments, fine dining, and wellness and recreational amenities, set across three communities.
- West Bay North Beach Project in Qatar: This project will include 1 public beach, 12 private beaches, restaurants, cafes, places for sports activities, waterfront location for tourists. It will also connect to West Bay and extend further north to the Corniche waterfront.
- Al Maha Island: This major project in Qatar will offer tourists a leisure hub, which will include Doha Winter Wonderland, International music festival venues, restaurants, cafes, and others.
- Along with the leisure projects in Qatar, the country has developed stadiums such as Khalifa International Stadium, Al Janoub Stadium, Al Rayyan Stadium, and other sports projects since organizing the FIFA World Cup.
- The mega project in Messilah Beach, Kuwait, aims to develop Messilah Beach into an integrated facility covering an area of 70,000 sq.m, containing recreational and sports activities to attract visitors of all age groups throughout the year. As a center of attraction for families, the development of the project includes the provision of water games for all ages, in addition to swimming pools, sports and marine games, restaurants, cafes, shops, and others.
- Bahrain has introduced its new tourism strategy that aims at improving domestic and international tourism. This strategy includes various projects such as the Bahrain International Exhibition and Convention Centre in Sakhir, AlGhous waterfront (ongoing), Bahrain Bay Beach, Qalali Waterfront, Sa'ada project, Aljazeera Beachfront development, and Jumairah Gulf of Bahrain resort.
- In October 2023, Manama, Bahrain, has been officially declared as the GCC Tourism Capital for 2024.
- In Oman, more than 80 tourism projects are being planned; these projects include the Oman Plant and Trees Garden to boost domestic tourism.
- In March 2024, Omran Group has indicated its intent to invest US$ 3 billion during the next five years through the implementation of a number of strategic tourism projects that are in line with the objectives of the Oman Vision 2040.
- In July 2023, Oman has granted 19 licenses for developing integrated tourism complexes with investments worth OMR 4.38 billion (US$11.37 billion). The complexes are planned across Muscat, Dhofar, South Al Sharqiyah, South Al Batinah and Musandam governorates.

5.3.5 Tourism Sector Forecast

5.3.5.1 Switzerland

The travel and tourism sector in Switzerland is a vital contributor to the country's economy, attracting millions of visitors each year. According to WorldData.info, Switzerland recorded a total of 4.39 million tourists in 2021, ranking 21st in the world in absolute terms. In recent years, the Swiss government has implemented several initiatives such as Confederation's tourism strategy 2021, sustainable tourism development and others to support and enhance the tourism industry. These initiatives aim to promote sustainable tourism practices, preserve natural resources, and improve infrastructure to accommodate the growing number of visitors.

Figure 27. Switzerland Tourism Sector Market Size and Forecast (US$ Billion)

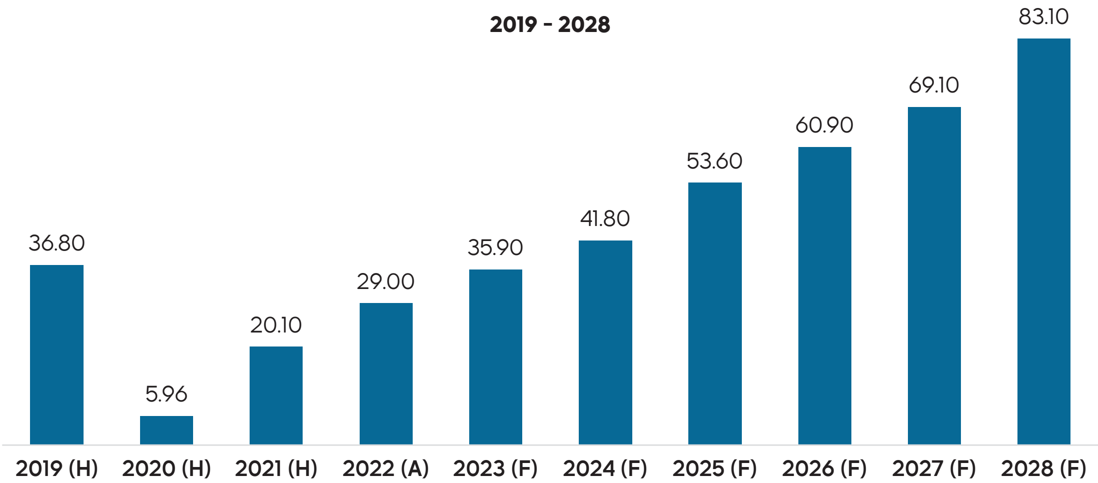


Source: Federal Statistical Office, UNWTO, Analyst Team

5.3.5.2 Saudi Arabia

Saudi Arabia's Vision 2030 economic diversification initiative has prioritized travel, tourism, and entertainment as a major sector. The government aims to boost domestic household spending on leisure activities and entertainment and transform the country into a leading global travel destination. By 2030, it hopes to attract more than 100 million visitors annually. To attain this goal, Saudi Arabia has implemented several initiatives, including an e-visa system for citizens of 49 countries, the opening of UNESCO World Heritage sites, constructing resorts on the Red Sea coast, and launching a cruise line. In 2020, the Ministry of Tourism announced a US$ 4 billion investment in the Tourism Development Fund to support the industry. The Ministry is also working with private sector investors to capitalize on new growth opportunities in the post-COVID pandemic rebound phase.

Figure 28. Saudi Arabia Tourism Sector Market Size and Forecast (US$ Billion)

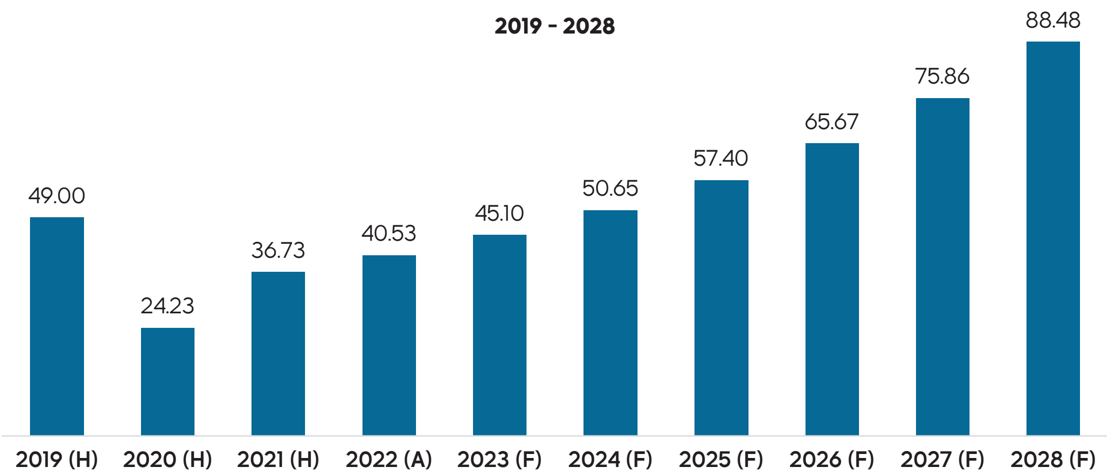


Source: World Data, UNWTO, Analyst Team

5.3.5.3 UAE

The UAE government launched the National Tourism Strategy 2031, which is a part of the 'Projects of the 50' initiative. The strategy's goal is to strengthen the UAE's position as one of the best global tourism destinations by enhancing the unified tourism identity and supporting the country's well-established tourism ecosystem. The strategy aims to increase the tourism sector's contribution to the GDP to US$ 122.5 billion by attracting US$ 27.23 billion in new investments to the tourism industry and welcoming 40 million hotel guests annually. The strategy involves partnerships between federal and local tourism authorities, national airlines, and international entities. The UAE's National Tourism Strategy 2031 encompasses 25 policies and initiatives that aim to foster the growth of the country's tourism industry. The strategy is focused on four critical areas—strengthening the national tourism identity, enhancing the diversity and specialization of tourism offerings, building tourism capabilities, and promoting the participation of Emiratis in the tourism sector. Additionally, the strategy aims to attract more investments across all tourism sectors.

Figure 29. UAE Tourism Sector Market Size and Forecast (US$ Billion)

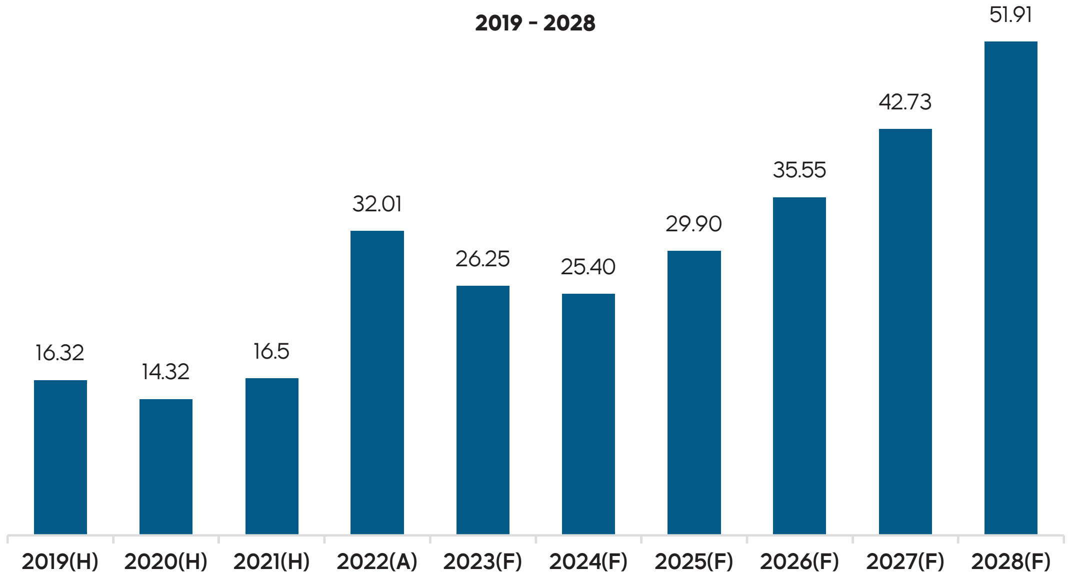


Source: MOEC.gov.ae, UNWTO, CEIC Data, Analyst Team

5.3.5.4 Qatar

Qatar's tourism industry is experiencing rapid growth owing to milestones such as hosting the FIFA World Cup 2022. Guided by the Qatar National Tourism Sector Strategy 2030, Qatar Tourism is collaborating with various entities to enhance the business environment, expand the country's tourism portfolio, and increase visitor traffic and spending. Qatar is determined to be recognized as a top leisure and MICE tourism destination. The country's tailored visitor offerings are highlighted through strong offline representation in Asia Pacific and European countries, as well as widespread marketing campaigns

Figure 30. Qatar Tourism Sector Market Size and Forecast (US$ Billion)

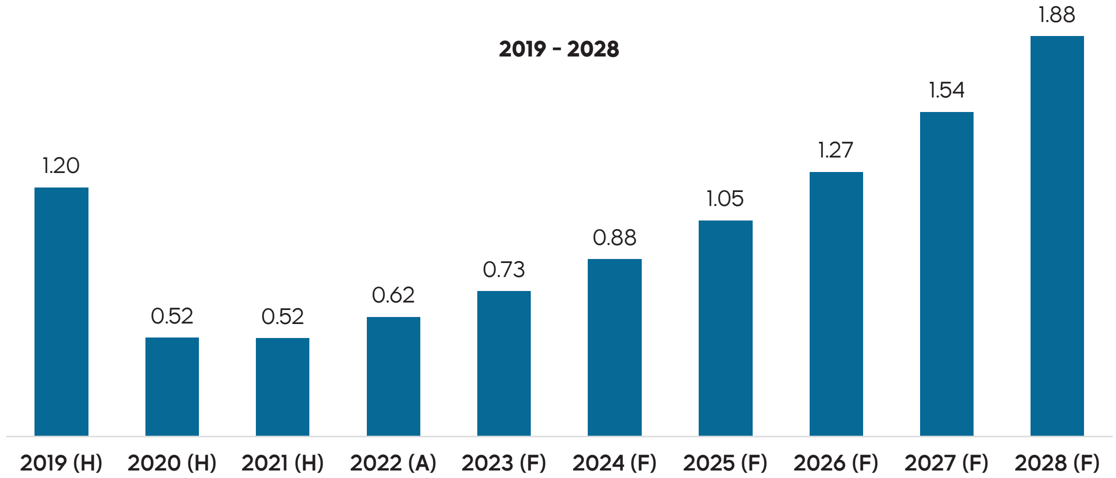


Source: Qatar Tourism, World Data, Invest.qa, CEIC Data, Analyst Team

5.3.5.5 Kuwait

Kuwait's tourism sector is poised for substantial growth over the coming years. Kuwait's strategic plans 2024 such expansion of airport facilities, implementation of the Kuwait metro, and development of Kuwait's section of the GCC railway will boost the Country's tourism and economic growth. Improved infrastructure, particularly in transport and air travel, will make Kuwait more accessible and attractive to international tourists. The Kuwait Metro and expanded airport facilities will enhance the visitor experience, while the development of ports will boost trade and tourism-related industries. Moreover, Kuwait's Vision 2035 focuses on sustainable growth with tourism as a central element. The strategy includes developing sports, entertainment, and leisure facilities to attract domestic and international visitors. Kuwait aims to enhance its tourism infrastructure significantly with key attractions such as the Kuwait Towers, modern malls and parks.

Figure 31. Kuwait Tourism Sector Market Size and Forecast (US$ Billion)

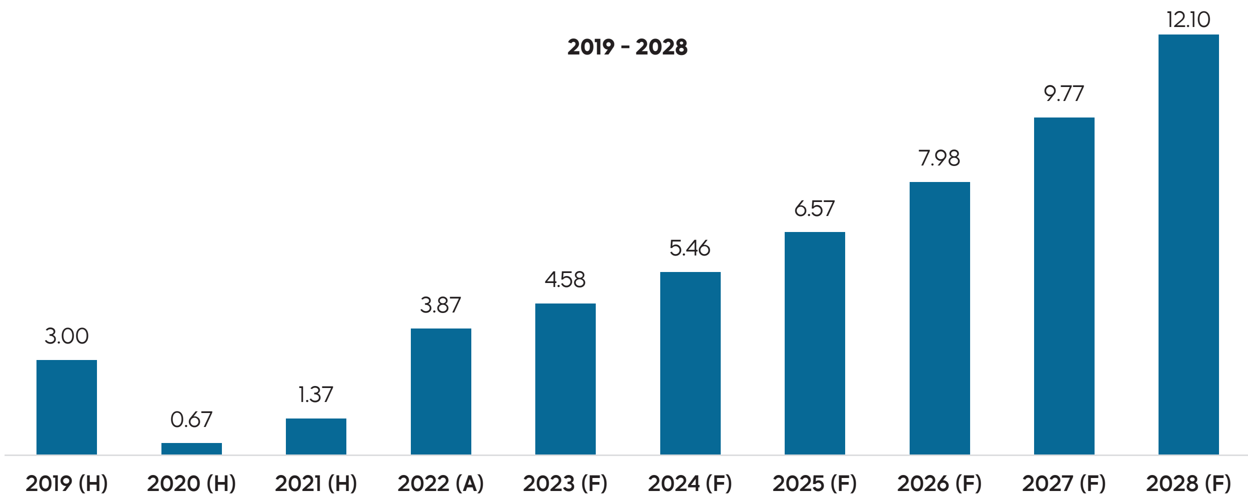


Source: kdipa.gov.kw, wttc.org, CEIC Data, World Data, Analyst Team

5.3.5.6 Oman

As a part of Oman Vision 2040, the Ministry of Heritage and Tourism is devoted to revitalizing the tourism sector in the upcoming years. Encouraging tourism investments, expanding tourism representation offices, and enhancing tourism promotion plans in target countries are a few measures currently undertaken by the Ministry. Moreover, diplomatic missions are being given a significant role in promoting trade exchange and positioning Oman as an attractive investment destination and tourist hotspot. By 2030, Oman aims to increase the tourism sector's contribution to GDP to 5%, which is expected to double to nearly 10% by 2040.

Figure 32. Oman Tourism Sector Market Size and Forecast (US$ Billion)

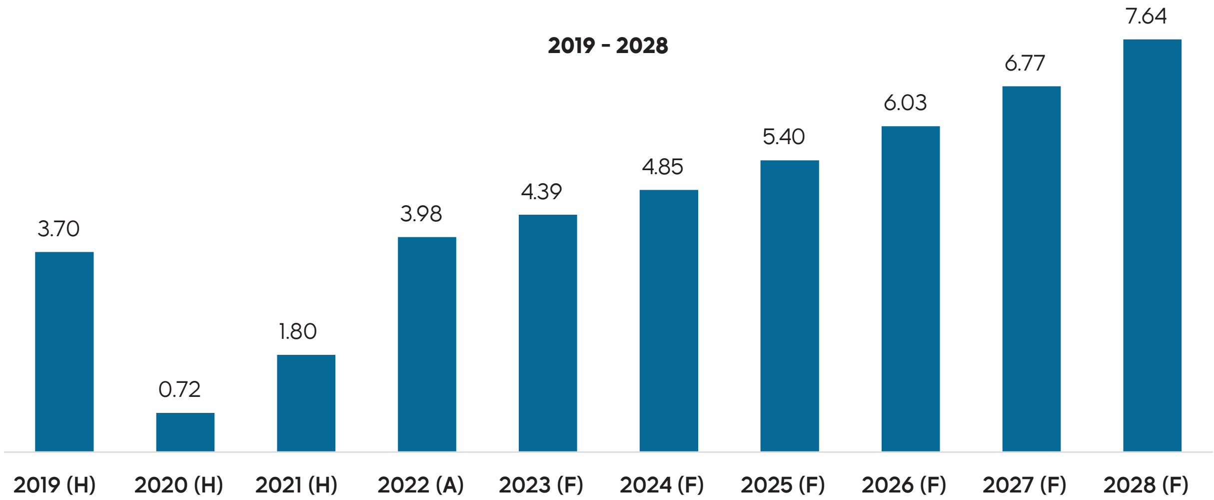


Source: World Data, eeas.europa.eu, CEIC Data, Invest Oman, Analyst Team

5.3.5.7 Bahrain

Bahrain has identified the tourism sector as a crucial driver of growth and diversification for its economy. Being the only island nation in the Middle East hosting major events such as the Formula 1 Bahrain Grand Prix, the country is in a prime position to draw tourist attention. While Saudi Arabian tourists have been attracted to Bahrain's entertainment, dining, and shopping options, officials are now seeking to broaden their offerings and source markets. To this end, the government has initiated several measures and projects, investing over US$ 10 billion in tourism infrastructure, including new hotels and museums. These initiatives aim to provide a robust foundation for public and private investments, enabling enhanced customer services and facilities to further support exploration and tourism in Bahrain

Figure 33. Bahrain Tourism Sector Market Size and Forecast (US$ Billion)



Source: World Data, Analyst Team

5.3.6 Partnership Between Switzerland and GCC Countries

- In February 2024, the Saudi Tourism Authority (STA) and Switzerland Tourism signed a Memorandum of Understanding (MoU) to elevate collaboration in the tourism sector. The agreement signed at the Saudi Tourism Authority headquarters marked a significant milestone in international tourism cooperation between Saudi Arabia and Switzerland. The first-of-its-kind MoU aims to foster the development of the tourism industry, mutual promotion, and collaborative tourism projects, setting a new precedent for global cooperation in tourism.
- In February 2023, Jumeirah Group, the global luxury hospitality company and subsidiary of Dubai Holding, announced the acquisition of its first property, Le Richemond, in Switzerland as part of its ongoing growth path and global expansion plans. The property is located on the shore of Lake Geneva and was founded in 1875. As per the group, the acquisition was part of the group's strategy of building its brand profile in gateway destinations across the globe.
- In December 2023, on the occasion of the Swiss President's visit to the Sultanate of Oman, a joint communique was issued expressing interest from both parties in promoting more partnership initiatives and exchange of expertise at both governmental and private sector levels, especially in the fields of economy, trade, investment, tourism, environment, logistics, renewable energy, education, and research.
- In June 2023, the 3rd edition of the Oman-Switzerland Business Forum was held in the city of Lucerne. The forum aims to enhance the role of the private sector, achieving economic diversification and financial stability and attracting foreign investment. The forum was held under the theme of "Opportunities for Investment and Cooperation in Renewable Energy, Infrastructure and Tourism."

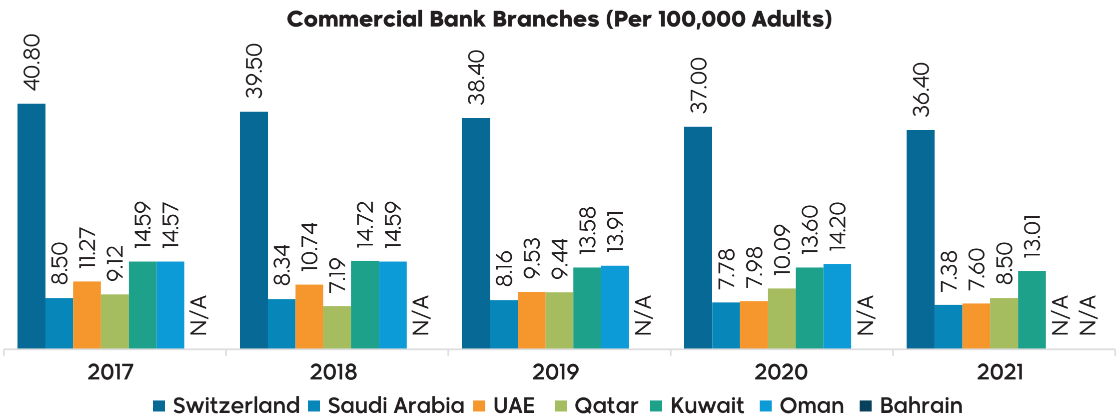
5.4 Finance and Fintech

5.4.1 Indicators of Finance & Fintech

5.4.1.1 Commercial Bank Branches (Per 100,000 Adults)

As per the World Bank, commercial bank branches are retail locations of resident commercial banks and other resident banks that function as commercial banks to provide financial services for customers and are physically separated from the main office but not organized as legally separated subsidiaries.

Figure 34. Commercial Bank Branches (Per 100,000 Adults)

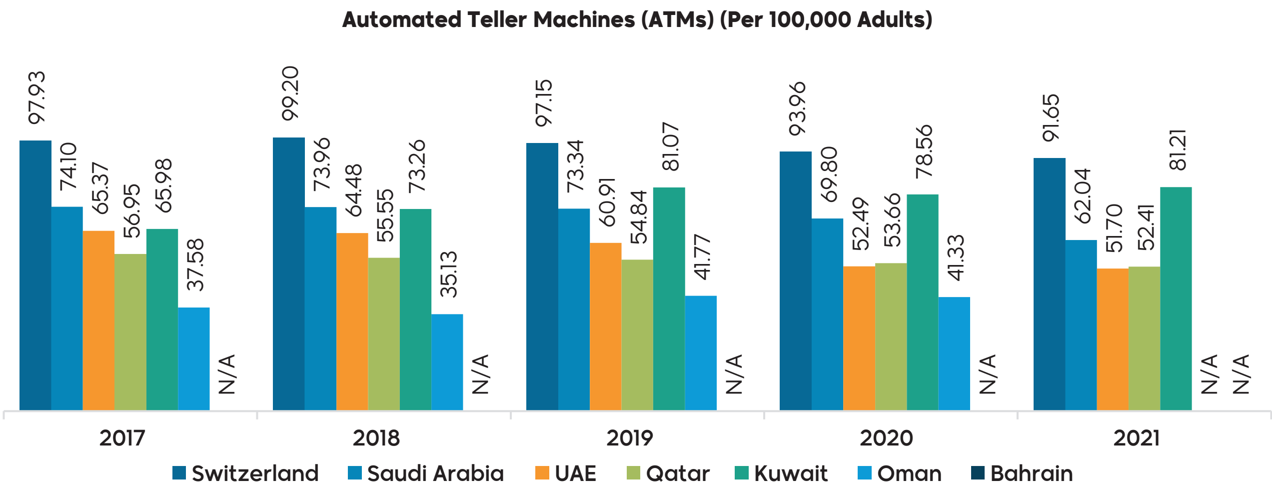


Source: World Bank Group

5.4.1.2 Automated Teller Machines (ATMs) (Per 100,000 Adults)

As per the World Bank, ATMs are computerized telecommunications devices that provide clients of a financial institution with access to financial transactions in a public place. It thus indicates the ease of access to cash withdrawals for the residents of a country and is an important indicator of the financial sector's growth.

Figure 35. Automated Teller Machines (ATMs) (Per 100,000 Adults)

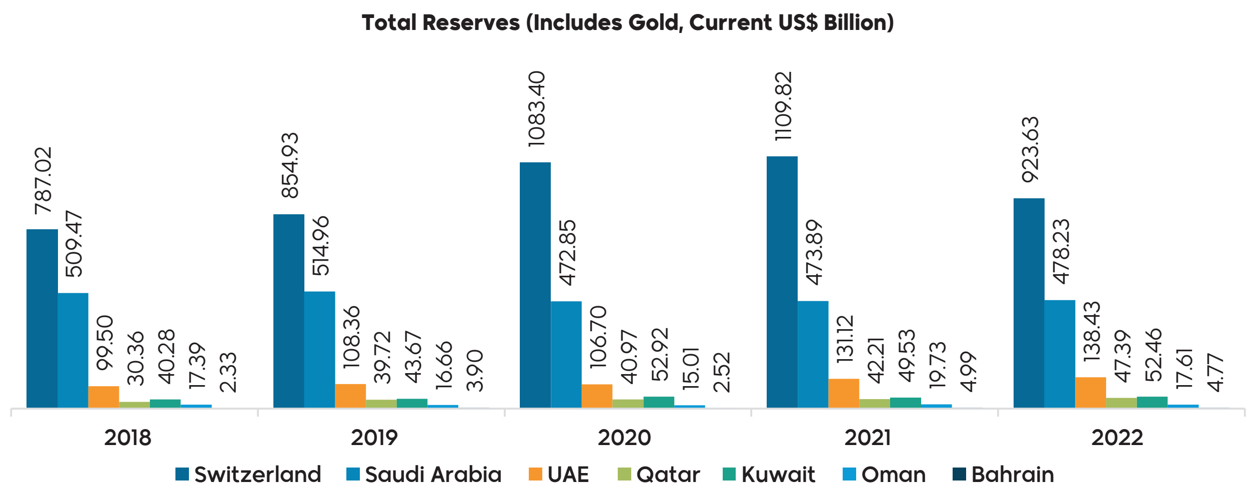


Source: IMF, Country Authorities, Company & Banks Financials, and the Analyst Team

5.4.1.3 Total Reserves (Includes Gold, Current US$ Billion)

As per the World Bank, total reserves comprise holdings of monetary gold, special drawing rights, reserves of IMF members held by the IMF, and holdings of foreign exchange under the control of monetary authorities. The gold component of these reserves is valued at year-end (i.e., December 31) London prices, and the data is in current US$.

Figure 36. Total Reserves (Includes Gold, Current US$ Billion)



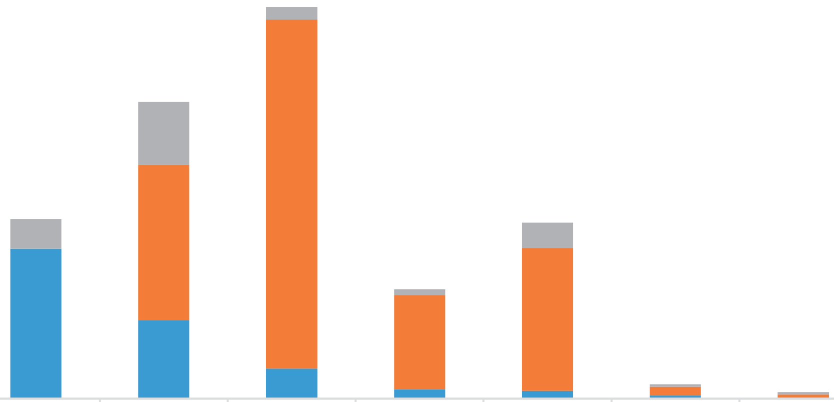
Source: IMF, Country Authorities, Company & Banks Financials, and the Analyst Team

5.4.1.4 Investments By State-Owned Investors (SOIs)

Sovereign Investment Funds (SIF) are state-owned and backed by investors, including state-backed investment arms and public pension funds (PPF). State-owned investors (SOIs), including sovereign wealth funds (SWF) and public pension funds (PPF), are one of the largest groups of asset owners globally. PPFs and SWFs are inextricably bound together by the fact of being state-owned and because they do, in fact, pursue generally similar long-term investment strategies. SOIs are one of the largest and among the most important private equity investors; they are key investors in other alternative asset investments such as infrastructure, real estate, and hedge funds. SOIs are also leaders in promoting corporate social responsibility (CSR) policies and environmental, social, and governance (ESG) policies in investee companies. The rise of SOIs can be utilized to assess their current investment policies and describe how their state ownership both constrains and enhances their investment opportunity sets.

Figure 37. Investments By State-Owned Investors (SOIs)

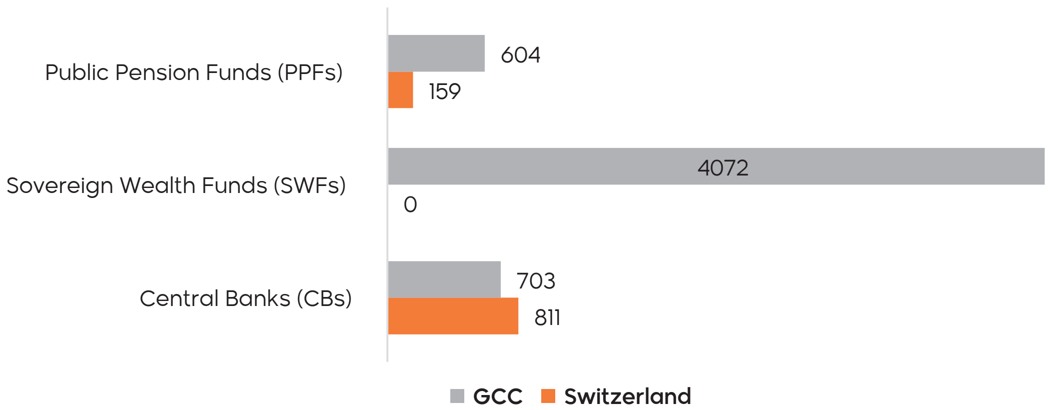
Investments by SOIs, 2022 (US$ Bn)

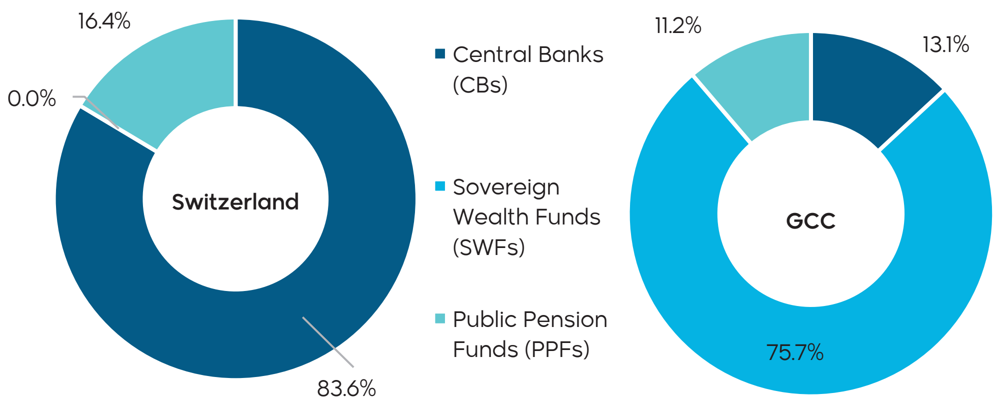


	Switzerland	Saudi Arabia	UAE	Qatar	Kuwait	Oman	Bahrain
Public Pension Funds (PPFs)	159	340	68	31	137	15	13
Sovereign Wealth Funds (SWFs)	0	837	1886	510	773	47	19
Central Banks (CBs)	811	426	163	51	42	17	4

Source: – Global SWF LLC

Comparison of Investments, US$ Billion





Source: Company Financials and The Analyst Team

5.4.2 Initiatives to Promote the Finance & Fintech Sector

5.4.2.1 Switzerland

Switzerland is a stable country with a strong currency and low inflation. Young companies based in Switzerland do not need to deal with instability and political issues that other countries may have in order to operate. In 2015, the Swiss Financial Market Supervisory Authority (FINMA) developed the "fintech license," a license that allows fintech companies to operate like banks without having to meet the same requirements. With a fintech license, the company need not adhere to strict banking equity ratio or liquidity requirements. They can also accept deposits of up to CHF100 million from the public without requiring a commercial banking license.

- In July 2023, Green Fintech Network propels Switzerland's Standing as a leader in green digital finance. During the Point Zero Forum in Zurich, the three-day event connecting policy with technology, the new Swiss Green Fintech Network (GFN) was launched, aiming to boost the green digital finance ecosystem.
- In October 2022, IFC, a member of the World Bank Group, signed two agreements with the government of Switzerland to support market and job creation and accelerate financial inclusion in emerging markets. The Swiss State Secretariat for Economic Affairs SECO will provide $20 million to IFC over the next six years to support the development of legal and regulatory frameworks for secure transactions, credit information and insolvency and their associated electronic systems.
- In January 2020, the Financial Services Act ("FinSA") and the Financial Institutions Act ("FinIA") entered into force. Noncompliance with FinSA requirements may lead to criminal sanctions and fines. Furthermore, if the relevant individual or legal entity is subject to prudential supervision in Switzerland, noncompliance may also have regulatory consequences.
- In 2016, FINMA joined the international FinTech debate and strengthened cooperation with other foreign supervisory authorities in digitalization and financial technology. On September 12, 2016, FINMA signed an agreement to deepen FinTech cooperation with the Monetary Authority of Singapore (MAS).
- The enforcement of the Federal Act on the Adaptation of Federal Law to Developments in Distributed Electronic Register Technology (DLT Act) in August 2021 increased the scope of the application of the FinTech license to certain deposit-taking activities of payment tokens. Furthermore, the DLT trading facility, pursuant to the Financial Market Infrastructure Act (Art. 73a ff. FinMIA), created a new financial market infrastructure for the multilateral trading of DLT securities (standardized book-entry securities suitable for mass trading that are held on a blockchain and can be transferred).
- FINMA has also created a sandbox where companies can accept public deposits of up to CHF1 million without getting a banking or even a fintech license. The fintech-friendly regulatory environment makes it a lot easier for fintech companies to get set up and operate, as well as experiment and test with new technologies. Switzerland has an optimistic attitude toward blockchain and cryptocurrency technology. The country aggressively regulates cryptocurrency, providing a regulated framework for enterprises in the crypto industry. Clear regulations attract investors, encourage growth, and ensure long-term stability in the crypto market.

5.4.2.2 GCC

Saudi Arabia

- Saudi Arabia is recovering robustly following a pandemic-induced recession. Liquidity and fiscal support, Vision 2030-guided reforms, and a better hydrocarbon market have been helping the economy recover and develop a resilient financial sector while improving the fiscal and external positions.
- The government of Saudi Arabia implemented BASEL III standards to enhance supervisory scrutiny of credit risks and risk management of banks.
- The government also implemented International Financial Reporting Standards (IFRS) 9 requirements for banks and rolled out a risk-based supervisory framework that relies on regular Internal Capital Adequacy Assessment Process (ICAAP) results.
- According to data issued by the Saudi Central Bank (SAMA), loans to the private sector rose 11% to SAR 2.75 trillion in March 2024, compared to nearly SAR 2.48 trillion in March 2023.
- The government plans to establish a sovereign-asset liability management framework owing to the increasing importance of the Public Investment Fund (PIF).

Qatar

- The Government of Qatar initiated the 3rd National Development Strategy as a step toward achieving the goals of Qatar National Vision 2030.
- Strong progress was made toward technical compliance with the Financial Action Task Force (FATF) standards.
- Qatar Central Bank implemented several macroprudential measures to decrease dependence on non-resident deposits.
- The Ministry of Finance developed a Sovereign Green Financing Framework to strengthen the domestic debt market.

Kuwait

- The Central Bank of Kuwait (CBK) lowered the discount rate and deployed measures to support the liquidity of the financial system.
- CBK formed guidelines on sustainable financing, and environmental, social, and corporate governance (ESG) standards in line with the principles of the Bank for International Settlements for efficient management and control of climate-related financial risks.
- The Government of Kuwait established the Disciplinary Board under the Competition Protection Agency to handle business complaints regarding fair competition.
- The Government of Kuwait enacted the new Bankruptcy Law in 2020 to provide insolvency related protection for corporates.
- The government further plans to develop and implement a medium-term fiscal framework to support long-term reforms.

UAE

- The UAE government implemented the Dirham Monetary Framework for reforming capital mobility and exchange rate policies.
- The Central Bank of the UAE (CBUAE) endorsed a new floor-rate corridor system to improve its liquidity management capacity, and support money market development and collateralization, among others.
- The government has begun preparing an implementation plan for the transition to a new operational framework prepared by the Monetary Management Department of the CBUAE in consultation with key external stakeholders.
- The UAE government is expected to transition from the Emirates Interbank Offered Rate (EIBOR) to the Dirham Overnight Index Average (DONIA) benchmark for the overnight market.

Oman

- The government is persistently implementing structural reforms under the Vision 2040.
- It introduced Value Added Tax (VAT) in April 2021, in line with GCC VAT Treaty.
- Fiscal measures under the auspices of the Medium-Term Fiscal Plan aided in reaching a surplus fiscal balance.
- The government created Energy Development Oman (EDO) to manage government investments in oil, gas, and renewables.
- The Central Bank of Oman (CBO) issued the Financial Consumer Protection Regulatory Framework (FCPRF) in December 2021 to provide a better consumer protection regime and benefit consumers.

Bahrain

- In Bahrain, authorities are committed to Economic Recovery Plan, and the 2023-2024 budget is tailored around the Fiscal Balance Program (FBP) targets.
- The country plans to freeze the central bank's government overdraft account to bolster capital reserves and support external position.
- Preparatory work is underway to advance Central Bank Digital Currency (CBDC).

5.4.3 Challenges in Finance & Fintech Sector

5.4.3.1 Switzerland

5.4.3.1.1 Shortage of Skilled Workforce

Wages in Switzerland are currently rising more sharply than they have in over the last 10 years, primarily fueled by the shortage of skilled personnel and soaring inflation. The Credit Suisse 2021/2022 SME survey of 800 SMEs showcased that the labor shortage is not improving, and it is expected to become more difficult in the future, according to SMEs. While several enterprises undertook measures for continuing professional development for employees, most were unable to spare employees additional time for training. Many companies started relying on more flexible working conditions to help maintain their attractiveness as employers. In 2022, trade unions called for a cost-of-living allowance to offset rising inflation under the current economic conditions as a means to protect workers' purchasing power. Furthermore, they demanded additional real wage increases. On average, the wage increases requested by the unions exceed the increases envisaged by the companies. Such factors restrict the growth of the finance sector.

5.4.3.1.2 Inflation

The annual inflation rate in Switzerland averaged 2.1% in 2023, according to the Federal Statistical Office (FSO), compared to 2.8% in 2022 and 0.6% in 2021. The is due to higher electricity and gas prices, as well as higher rents. By contrast, prices fell for petroleum products, telecommunications and medicines. inflation erodes purchasing power, affecting both consumers and businesses. When prices rise, consumers may cut back on spending, impacting sales and revenue for businesses. This reduction in consumer spending can lead to decreased demand for financial products and services, such as loans and investments, affecting the profitability of banks and fintech firms. Inflation can also disrupt financial planning and investment strategies. Inflation erodes the real value of assets and investments over time, leading to diminished returns for investors. This presents challenges for wealth management firms and fintech platforms offering investment solutions.

5.4.3.2 GCC

5.4.3.2.1 Regulatory Frameworks, Investor Protection, and Sharia Compliance

In GCC countries, regulatory agencies such as central banks and capital market authorities oversee the operations of the financial and investment sectors. These organizations prioritize investor protection by setting laws and regulations to preserve financial stability and safeguard investors. They require financial institutions to offer clear information about the risks of investment products and to treat investors fairly. Nevertheless, GCC countries have also implemented a process for addressing disputes and protecting investor rights.

5.4.3.2.2 Inflation

In the GCC, inflation rose from 0.7% year-on-year in July 2021 to 3.2% year-on-year in July 2022, primarily due to increasing food prices. Foreign direct investments (FDI) fluctuate with the rise and fall of commodity prices in the GCC. Foreign investments are a valuable source of money. They encourage connections between local suppliers and consumer markets and stimulate human capital through financial aid provided for training local workers and hiring international personnel. While Oman (1.9%) and Bahrain (2.2%) had relatively low inflation rates, the average inflation is expected to reach 3.6 in 2022–2023, with Saudi Arabia reporting 2.7%, Qatar and Kuwait with 4.5% each, and the UAE recording more than 5% inflation. Thus, it is expected to cause fluctuations in FDI, challenging the growth of the finance sector. Subsidies and price caps on certain products (e.g., some food products, gasoline, electricity, and water), a strong dollar that reduces import costs, subdued rent prices despite higher supply in a few segments (e.g., villas), a limited share of food in the consumer price index basket, and continued slack in the labor market (e.g., in Saudi Arabia) have all contributed to supply-side shocks and higher inflation in trading partners in the GCC. Such compound challenges arising from inflation are hindering the finance and investment sector.

5.4.4 Top Current Projects in the Finance & Fintech Sector

5.4.4.1 Switzerland

Feb 2024

In February 2024, Switzerland's national postal service Swiss Post's financial subsidiary, Postfinance launched crypto trading and custody service. Customers can use the service to "purchase or securely store an initial range of 11 cryptocurrencies at the click of a mouse or even set up a crypto saving plan." Postfinance is regulated by the Swiss Financial Market Supervisory Authority (FINMA) and has been granted a license in accordance with Switzerland's Banking Act. It has more than 2.5 million customers.

Dec 2023

In December 2023, Britain and Switzerland agreed on a wide-ranging financial services trade deal. The deal granted reciprocal market access for their banks, insurers, asset managers and stock exchanges to boost trade and cut compliance costs.

Sep 2023

In September 2023, FINMA announced that many examined banks' anti-money laundering and counter-terrorist financing (AML/CFT) risk analyses are deficient. The deficiencies, which include inadequately defined risk tolerances, could impede the banks' ability to implement effective risk controls.

Aug 2023

In August 2023, Switzerland proposed sweeping measures to clamp down on money laundering. The proposed reforms are the second time in three years that Switzerland has overhauled its laws against financial crime. The new register of beneficial owners of all corporate entities and trusts set up in the country will not be accessible to the public. But it will be available for regulators, government and police as well as accredited banks and lawyers performing due diligence to access.

5.4.4.2 GCC

July 2023

In July 2023, Bahrain signed a Memorandum of Understanding (MoU) for strategic investments and collaborations with the UK. The MoU is expected to promote Bahrain's private sector to invest ~US$ 1.3 billion in the UK through a Bahraini sovereign wealth fund named Mumtalakat, and some private asset and wealth management organizations.

July 2023

In July 2023, a leading bank from Greece announced its plans to expand its operations across Asia and the Middle East, including Saudi Arabia and UAE. With this move, the bank aims to increase profits from its international operations and broaden its presence in developing wealth management markets.

July 2023

In July 2023, Saudi Arabia provided US$ 2 billion in financial support to Pakistan to achieve an economic turnaround. The support was committed in April, but the money was deposited with the State Bank of Pakistan only after IMF committed a bailout package of US$ 3 billion for the distressed country.

June 2023

In June 2023, the Hong Kong Monetary Authority (HKMA) and the Central Bank of the United Arab Emirates (CBUAE) set up a working group to promote cross-border payments, yuan trading, ESG, virtual assets regulation, and wealth management.

May 2023

In May 2023, a Dubai-based open-banking platform start-up raised US$ 32 million from Series A funding. The company plans to invest the raised amount to attract talent and form new partnerships in Saudi Arabia. The start-up has already reached more than 60% market coverage in Saudi Arabia by partnering with the country's leading banks.

May 2023

In May 2023, the Central Bank of Bahrain granted a Class 2 investment Company license to a financial services subsidiary of a Bahrain-based technology group, allowing it to introduce new services for its customers.

May 2023

In May 2023, the Central Bank of Kuwait (CBK) and the Kuwait Direct Investment Promotion Authority (KDIPA) signed an MoU for increasing coordination mechanisms between both sides and aiding Kuwait in attracting higher direct investments. The MoU is also expected to aid in determining the roles of each organization, develop and streamline the investment environment, remove barriers faced by investors, and so on.

April 2023

In April 2023, the Ministry of Finance of the UAE, in collaboration with the CBUAE as the issuing and paying representative, launched a Dirham-denominated Islamic Treasury Sukuk (T-Sukuk) with a benchmark auction size of ~ US$ 275 million. With this move, the ministry aims to strengthen the Islamic economy and develop a new investment infrastructure for the same. As per the ministry, T- Sukuks are Sharia-compliant financial certificates, which can be traded to reflect the local return on investment. It is expected to support economic diversification and financial inclusion, along with aiding in achieving comprehensive and sustainable socioeconomic development goals.

March 2023

In March 2023, a British, multinational bank and a leading German energy company jointly issued the first Green Guarantee in Qatar. It was issued for a solar power project being developed in the country, which is expected to play a major role in the country's national climate change action plan and its objective to reduce the national carbon footprint while increasing its energy independence. This green instrument is meant to support the project's successful completion and long-term sustainability.

March 2023

In March 2023, the CBUAE and the Reserve Bank of India (RBI) signed an MoU to augment cooperation and enable innovation in financial products and services. The two central banks are expected to collaborate on various emerging areas of FinTech, especially Central Bank Digital Currencies (CBDCs), along with exploring interoperability between the CBDCs of the two countries.

February 2023

In February 2023, the Central Bank of Oman approved the merger between an Omani bank and an Omani subsidiary of a British bank. Upon completion, the British bank would transfer all of the assets and liabilities to the Omani bank.

February 2023

In February 2023, Egypt and Qatar started exploring opportunities to set up a joint investment fund to aid Egypt in recovering from the disruptions caused due to the Russia–Ukraine war. Qatar plans to raise its investments in Egypt in accordance with an agreement signed by both countries to eliminate double taxation to boost investments. In 2022, Qatar initiated talks to invest ~US$ 2.5 billion to buy stakes owned by the Egyptian government in several companies, including the biggest mobile operator in Egypt.

January 2023

In January 2023, Qatar initiated a proactive drive to strengthen the domestic debt market by announcing US$ 75 billion in investments in sustainable finance for the year. In line with the National Vision 2030 strategy, the drive is anticipated to be a part of a broader strategy to create a greener future by enhancing the county's capital market infrastructure.

5.4.5 Financial Development Forecast

According to the IMF, the Financial Development (FD) Index is a relative ranking of countries on the depth, access, and efficiency of their financial institutions and financial markets. The Financial Institutions Index is an aggregate of the Financial Institutions Depth (FID) Index, Financial Institutions Access (FIA) Index, and Financial Institutions Efficiency (FIE) Index. The financial institution depth sub-index adds to the standard banking sector depth measure, while access and efficiency measures are more bank specific. Financial market indicators focus on the stock market and debt market development. Private credit to GDP ratio and stock market capitalization to GDP ratios do not account for the complex multidimensional nature of financial development. The Financial Development Index tries to account for such complexities and indicates each country's financial institutions and market status.

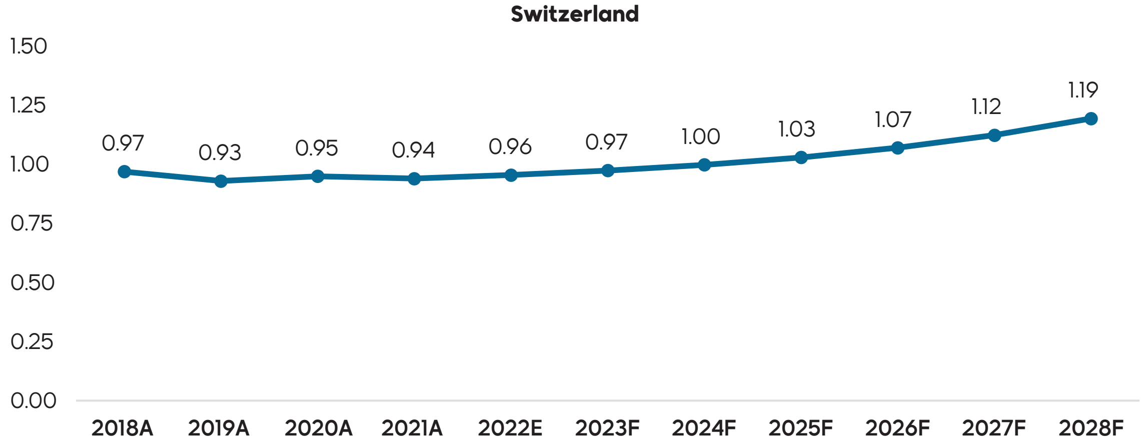
Table 27. Financial Development Index (2021) Comparison

2021		Switzer-land	Saudi Arabia	UAE	Qatar	Kuwait	Oman	Bahrain
Financial Development Index		0.94	0.44	0.49	0.53	0.4	0.38	0.46
Financial Institu-tions	Overall	0.92	0.35	0.37	0.47	0.51	0.41	0.35
	Depth	0.95	0.17	0.22	0.3	0.24	0.17	0.35
	Access	0.83	0.36	0.32	0.33	0.51	0.35	0.00
	Efficiency	0.56	0.45	0.5	0.74	0.71	0.69	0.71
Financial Markets	Overall	0.92	0.52	0.59	0.57	0.27	0.34	0.56
	Depth	0.99	0.69	0.67	0.66	0.44	0.30	0.62
	Access	0.92	0.55	0.89	0.83	0.18	0.65	1.00
	Efficiency	0.81	0.25	0.16	0.17	0.15	0.08	0.03

Source: IMF

5.4.5.1 Switzerland

Figure 38. Switzerland Financial Development Index Forecast

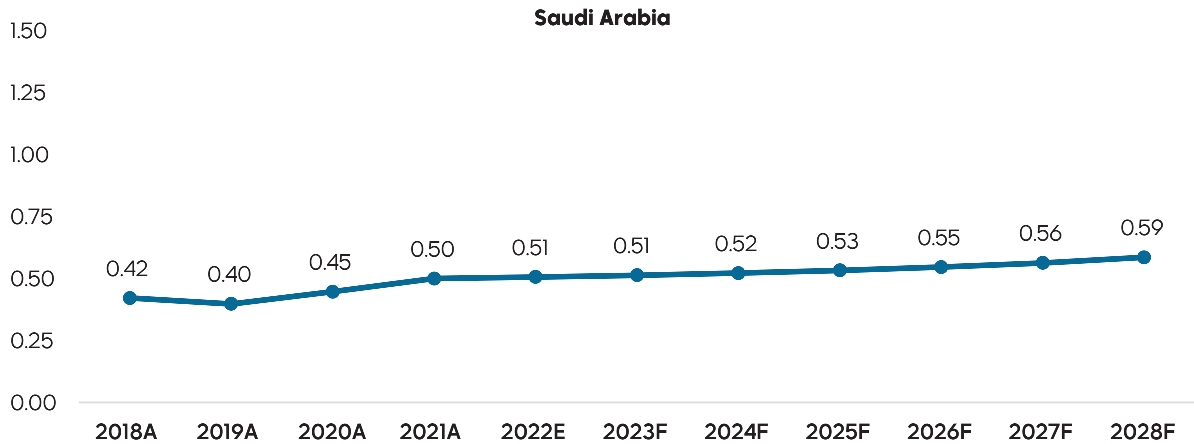


Actual, E-Estimated, F-Forecasted || Source: A – IMF, E & F – Analyst Team, Financial Development Index – IMF Data

Switzerland's financial sector plays a pivotal role in its economy. As of 2022, the value-added by the Swiss financial sector contributing approximately 8.9% to the nation's GDP. Employment within the financial services sector remains steady, accounting for 5.2% of overall employment. Tax revenue generated by the financial sector constitutes 13.3% of the total tax revenue collected by the public sector. Switzerland's net exports in financial and insurance services significantly contribute to the country's current account surplus, amounting to 40.1% of the surplus. The YoY growth rates for the financial development index indicates the consistent upward trend from 2018A to 2028F suggests sustained positive growth. The country's financial sector contributes significantly to its current account surplus, reinforcing Switzerland's robust economic position. In summary, Switzerland's financial sector remains robust, with positive growth prospects and a substantial impact on the nation's overall economic health.

5.4.5.2 Saudi Arabia

Figure 39. Saudi Arabia Financial Development Index Forecast

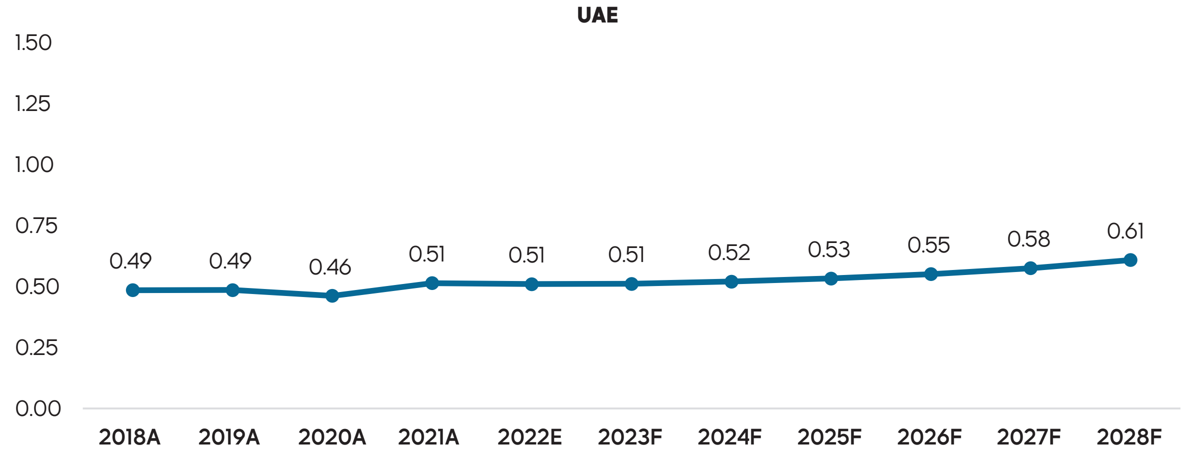


A – Actual, E-Estimated, F-Forecasted || Source: A – IMF, E & F – Analyst Team, Financial Development Index – IMF Data

Despite global economic challenges such as geopolitical developments, inflationary pressures, and higher interest rates Saudi Arabia marked continued growth in financial stability. Notably, the Saudi Arabia economy demonstrated strong performance in both output and employment. The financial system played a major role in supporting this economic performance. Saudi Arabia's financial development index is on an upward trajectory, aligning with economic resilience and innovation efforts. Continued monitoring and prudent management will ensure stability and sustained growth.

5.4.5.3 UAE

Figure 40. UAE Financial Development Index Forecast

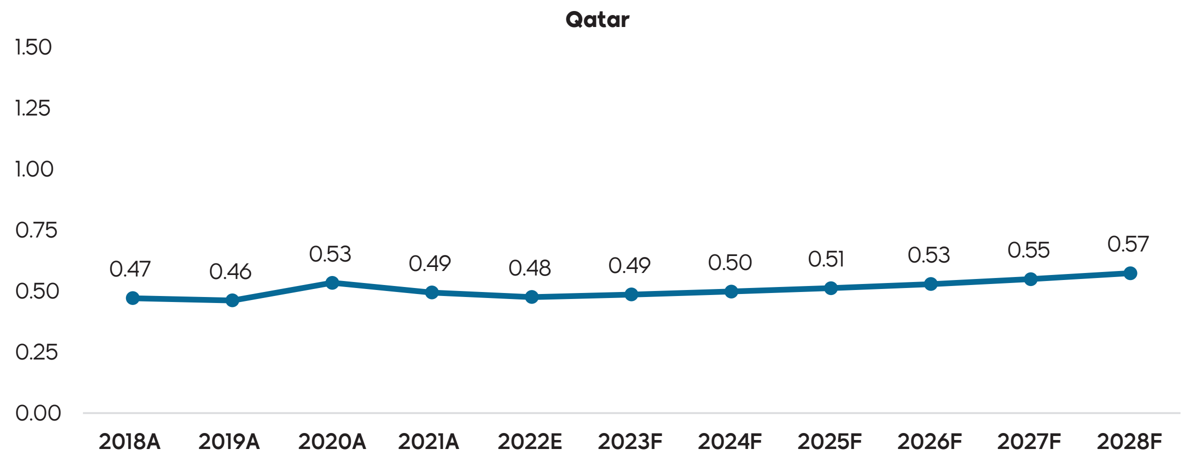


A – Actual, E-Estimated, F-Forecasted || Source: A – IMF, E & F – Analyst Team, Financial Development Index – IMF Data

The UAE Financial Development Index is projected to experience positive growth from 2020 to 2028. Starting at an initial value of 0.46 in 2020, the index is forecasted to steadily rise to 0.61 by 2028. This upward trend signifies progress in the UAE's financial sector, including improvements in banking infrastructure, capital markets, and regulatory environment. The optimistic outlook may attract foreign direct investment, but challenges such as risk management and sustainability need consideration. Overall, the UAE aims to foster a dynamic and resilient financial ecosystem .

5.4.5.4 Qatar

Figure 41. Qatar Financial Development Index Forecast

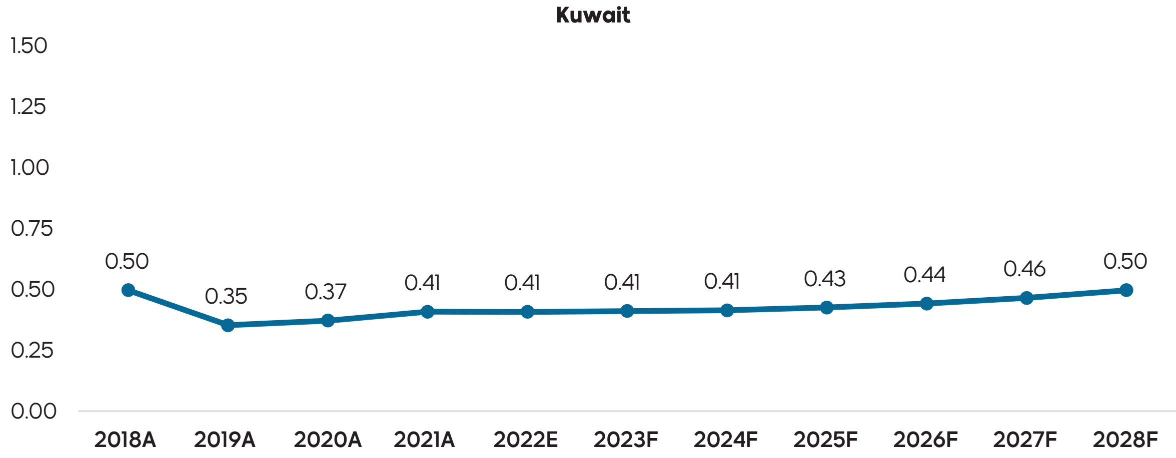


A – Actual, E-Estimated, F-Forecasted || Source: A – IMF, E & F – Analyst Team, Financial Development Index – IMF Data

The Qatar Financial Development Index is projected to experience gradual growth from 2018 to 2028. Starting at an index value of approximately 0.47 in 2018, it is expected to reach an estimated value of about 0.57 by 2028. While the increase is not drastic, this incremental trend suggests a positive outlook for Qatar's financial sector.

5.4.5.5 Kuwait

Figure 42. Kuwait Financial Development Index Forecast

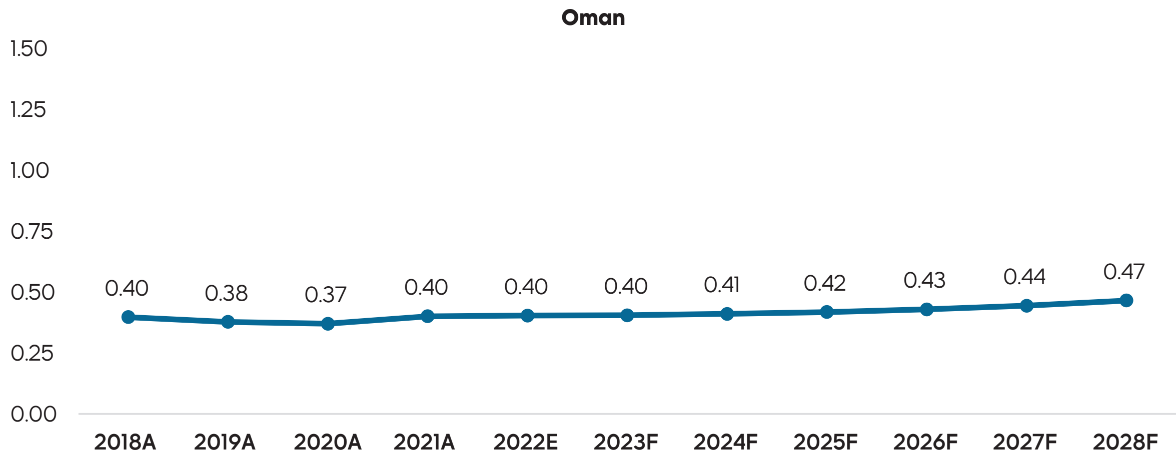


Source: kdipa.gov.kw, wttc.org, CEIC Data, World Data, Analyst Team, Financial Development Index – IMF Data

The Kuwait Financial Development Index is projected to experience gradual growth at an index value of approximately 0.41 in 2021, it is expected to reach an estimated value of about 0.50 by 2028. Looking ahead, Kuwait's financial sector remains resilient. Banks are well-capitalized, highly liquid, and have low nonperforming loans. The 2023 Global Financial Centers Index emphasizes easing restrictions on foreign company ownership to fortify Kuwait's financial standing. The future holds opportunities for further development and attracting foreign investment.

5.4.5.6 Oman

Figure 43. Oman Financial Development Index Forecast

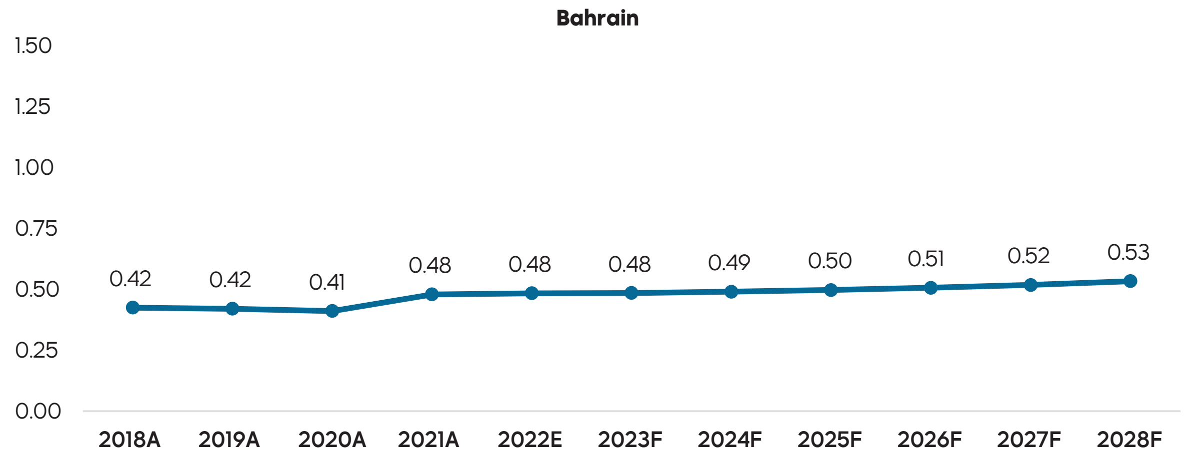


Actual, E-Estimated, F-Forecasted || Source: A – IMF, E & F – Analyst Team, Financial Development Index – IMF Data

Supported by favorable oil prices and sustained reform momentum, Oman's economic recovery continues while inflation remains contained. In 2022, the economy grew by 4.3%, primarily driven by the hydrocarbon sector. However, growth slowed to 2.1% in the first half of 2023 due to OPEC+ related oil production cuts. Non-hydrocarbon growth accelerated, reaching 2.7% during the same period, driven by recovering agricultural and construction activities and a robust services sector. Measures such as subsidies on basic food items, caps on domestic petroleum prices, and the peg to a strong US dollar helped contain inflation, which receded from 2.8% in 2022 to 1.2% during January-September 2023.

5.4.5.7 Bahrain

Figure 44. Bahrain Financial Development Index Forecast



A – Actual, E-Estimated, F-Forecasted || Source: A – IMF, E & F – Analyst Team, Financial Development Index – IMF Data

In terms of financial health, Bahrain has made progress, although precise details are not specified. The country's fiscal balances have been influenced by oil prices and ongoing economic reforms. The banking sector in Bahrain remains robust, characterized by well-capitalized banks and prudent management. Nonperforming loans are effectively managed, and loan-loss provisioning is high. Looking ahead, Bahrain's financial development index may continue to evolve, driven by ongoing reforms and efforts toward economic diversification. Enhancing financial markets and attracting foreign investment will be critical for sustained development

5.4.6 Partnership Between Switzerland and GCC Countries

FEB 2024

In February 2024, the Bahrain Economic Development Board (EDB) officially joined the nonprofit Swiss Crypto Valley Association in a move toward fostering international collaboration in the blockchain and cryptocurrency industry.

FEB 2024

In February 2024, Saudi Minister of Investment Eng. Khalid Al-Falih announced a collaboration with a Swiss fund aimed at launching financing initiatives in the debt market. This partnership is set to mobilize billions of euros, showcasing Saudi Arabia's commitment to becoming a leading destination for sustainable investment.

MAR 2024

In March 2024, Dr. Thani bin Ahmed Al Zeyoudi, Minister of State for Foreign Trade, headed a high-level UAE delegation to Bern and Basel, Switzerland to strengthen economic collaboration and foster investment flows between the two nations.

MAY 2023

In May 2023, Saudi Arabia's Minister of Industry and Mineral Resources visited Switzerland to attract significant investments to Saudi Arabia and utilize new channels of communication for investors from the two countries.

MAY 2023

In May 2023, UAE held the Fifth Financial Dialogue with the Swiss Confederation aimed at bolstering strategic relations and bilateral cooperation pertaining to various development, economic, and financial fields of common interest. This showcases the strength of the UAESwitzerland partnership and offers opportunities for collaboration between both countries to continue to further expand to achieve growth and prosperity.

AUG 2021

In August 2021, Switzerland's Prism Group AG and Abu Dhabi's Royal Strategic Partners signed a deal to acquire Bahrain's BFC Group Holding and its subsidiaries—BFC Bahrain, BEC Exchange (Kuwait), BFC Payments, and BFC Forex and Financial Services (India). The deal created one of the largest remittance and currency exchange groups in the Middle East and North Africa (MENA) region, home to millions of expatriates who regularly transfer money to their home country and vice versa.

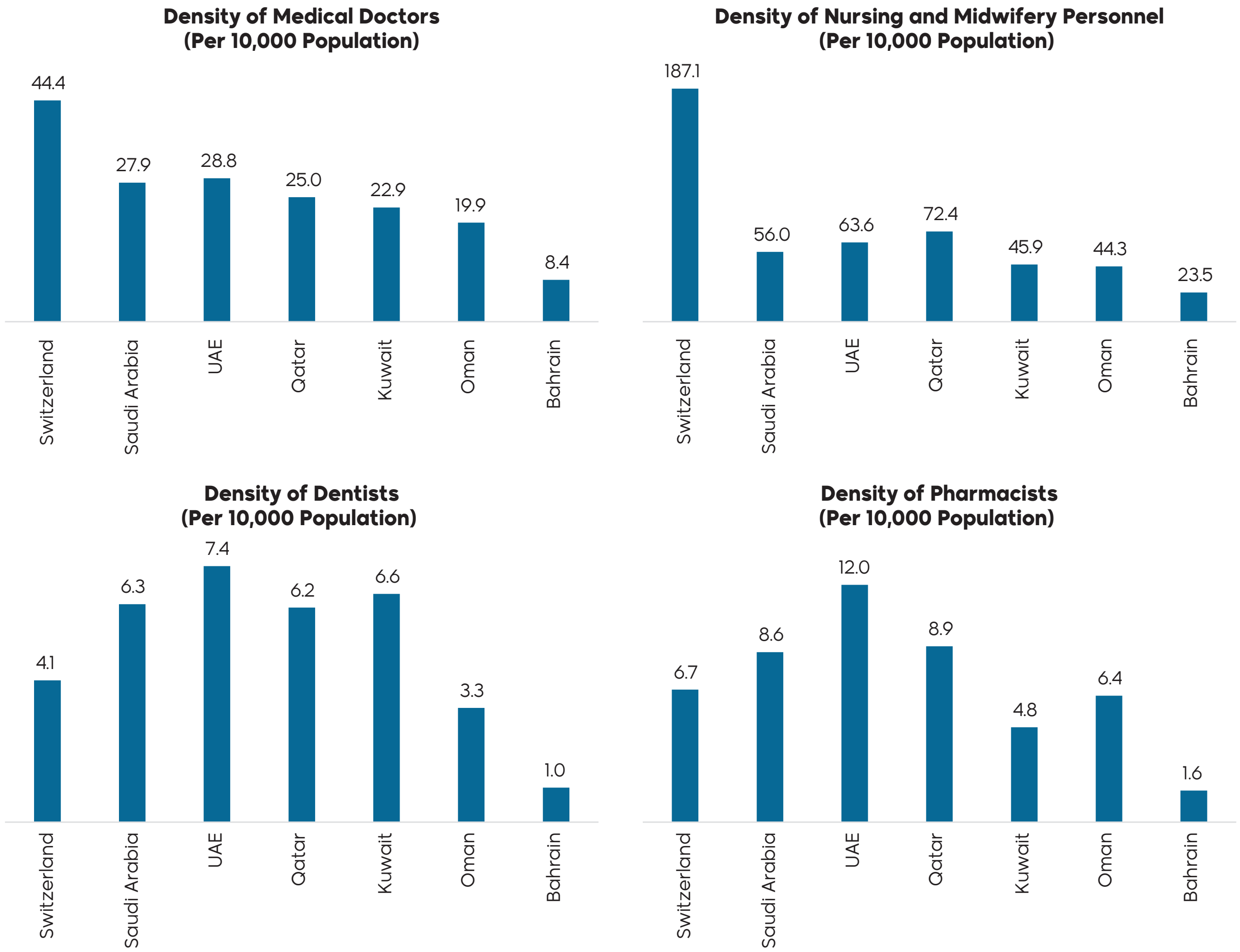
5.5 Healthtech

5.5.1 Indicators of Healthtech

5.5.1.1 Health Workforce Statistics (2021)

The data presented in the Global Health Workforce Statistics database are processed data extracts of the national reporting in the NHWA data platform. Complementing the national reporting, additional sources such as the National Census, Labour Force Surveys and key administrative national and regional sources are also employed. Due to the several data sources, considerable variability remains across countries in the coverage, periodicity, quality, and completeness of the original data. The health worker occupations are classified according to the latest version of the International Standard Classification of Occupations (ISCO – 08).

Figure 45. Health Workforce Statistics (2021)



Source: Global Health Observatory data, WHO

5.5.2 Initiatives to Promote Healthtech Sector

5.5.2.1 Switzerland

JUN 2023

The Federal Council launched the consultation procedure on the third partial revision of the Therapeutic Products Act (TPA). The proposed changes aim to advance the digitalization of key processes in the healthcare system. clarify the use of new technologies. and improve the quality of care. The draft revision addresses key areas such as ensuring access to innovative therapies. electronic prescriptions for therapeutic products. electronic medication plans. the use of electronic systems for calculating drug dosages of pediatrics. and supply security in the field of veterinary medicine.

JUN 2023

A draft revision of the Federal Act on the Electronic Patient Record (EPRA) was circulated for consultation. The revisions were made to drive forward the development of electronic patient records and secure long-term financing for them. The revised edition comprised specific measures to promote the dissemination and use of electronic patient records. financing rules that provide a clear division of tasks and competencies between the confederation and the cantons. and measures intended to make use of the data in research.

2022

SPHN launched a national genomic strategy, the Swiss Federated Genomics Network (SFGN). to facilitate genomics research and to fast-track the integration of genomics into healthcare by collecting data and knowledge about the genetic structure of the Swiss population. The project is in collaboration with the Personalized Health and Related Technologies (PHRD program of the ETH Domain. the Health 2030 Genome Center. the Swiss Institute of Bioinformatics (SIB). and the Swiss Biobanking Platform.

DEC 2019

Building on the foundations of Health2020. the Health2030 Strategy was adopted by the Federal Council. which defined the priority areas. Under Health2020. more than 36 measures have been pursued since 2013 at the cantonal and federal levels to make the health system more responsive to new challenges while maintaining affordability. Similarly, Health2030 sets a framework for action in health policy, guiding all health system actors. In collaboration with key healthcare authorities. several projects have been fulfilled. with positive impacts on healthcare in Switzerland. Through the health policy strategy for 2020-2030. the Federal Council intends to improve the system further to enable everyone in Switzerland to benefit from high-quality, affordable healthcare.

DEC 2018

The Federal Council adopted the eHealth 2.0 strategy to replace the one adopted in 2007 and was planned to run from 2018 to 2022 but was later extended till 2024. It was developed in collaboration with the cantons and implemented jointly. The strategy comprised three fields of action: promoting digitization. coordinating digitization. and enabling digitization. with objectives and measures of the confederation and the cantons to distribute the electronic patient record and to coordinate digitization around the electronic patient file.

5.5.2.2 GCC

2019

In 2019, the Saudi government created the Saudi Authority for Data and Artificial Intelligence (SDAIA), which is responsible for overseeing and implementing the country's data and AI strategy. The SDAIA aims to promote the use of data and AI in various sectors, such as healthcare, education, and transportation, to improve efficiency and productivity. The strategy was aimed at advancing Saudi Arabia's capabilities across four main areas, namely vaccines, bio-manufacturing & localization, genomics, and plant optimization.

DEC 2022

In December 2022, the investment laboratory was launched by Oman's MoH with the support of the Oman National Investment Program (Nazdaher) and Oman Vision 2040 Implementation Follow-up Unit. It was aimed at strengthening the health level by solving challenges, streamlining procedures, enabling an attractive environment for investment in the healthcare sector in addition to attracting private investments that contribute to economic diversification, reducing the length of investment-related procedures, scaling up national exports, and increasing the percentage of Omani workers in the private healthcare sector.

JAN 2023

In January 2023, the UAE health authorities, including the Department of Health – Abu Dhabi (DoH), Ministry of Health and Prevention (MoHAP), and DHA, announced the integration of "Riayati," the National Unified Medical Record (NUMR), "Malaffi" and "Nabidh" platforms into the Unified National Health Platform (UNHP). The UNHP aims to radically change the digital transformation of the UAE's healthcare sector, where it uses encryption to secure health information over a safe network.

JAN 2023

In January 2023, the MoH of Oman initiated 19 investment projects, 11 investment opportunities, and 14 empowerment projects. The private sector's contribution to total healthcare spending is expected to increase steadily, rising from 12.1% in 2020 to 12.3% by 2025 and further to 13.2% by 2030.

FEB 2023

In February 2023, Emirate Health Services (EHS) launched an innovation strategy for the years between 2023 and 2026. It was intended to achieve a number of objectives, including enhanced sustainability of health-related innovations. The EHS strategy aimed to build local skills and increase innovation in companies, adopt pilot projects, and build a strong ecosystem of healthcare start-ups. Some of the areas targeted include e-visits, chatbot services, electronic medical records/electronic health records (EMR/EHR), predictive analytics, mobile applications, and telemedicine. In January 2023, EHS launched the Digital Twin and Care AI projects; both were the first of their kind in the region. Care AI was developed for a smart healthcare facility and utilizes artificial intelligence (AI) for self-monitoring. It also uses computer vision to assist doctors in diagnosing patients and tracking patient behavior and movement. In addition to automatically updating and analyzing patient data, Care AI utilizes AI technology to constantly improve care based on updated information collected about the patient's condition.

OCT 2023

In October 2023, Medical Artificial Intelligence (AI) company Lunit became the first Korean company to participate in Saudi Arabia's government-led healthcare project, "Saudi Vision 2030 Healthcare Sandbox," an initiative designed to transform the country's healthcare industry digitally. Lunit signed a memorandum of understanding (MOU) with Seha Virtual Hospital to utilize the latter's network of 150 hospitals within the country to provide Lunit's flagship AI product, Lunit Insight, an AI software that screens X-rays to diagnose 10 different abnormalities in breast and lung cancer.

JAN 2024

In January 2024, Saudi Arabia launched the National Biotechnology Strategy in an effort to become an international biotech hub within the next 16 years. The strategy is part of a broader project, dubbed Vision 2030, which also aims to position the country as a biotech leader in the Middle East and North Africa (MENA) region by 2030.

5.5.3 Challenges in the Healthtech Sector

5.5.3.1 Switzerland

- Switzerland confronts an array of complex issues, including unresolved transparency concerns, a shortage of highly skilled workforce, social inequalities, and a lagging rate of digitization in the healthcare industry. Additionally, increasing health insurance premiums pose troubles for citizens, with healthcare access often dependent on socioeconomic status. The prevailing fee-for-service model is a key concern since healthcare professionals are paid based on the number of procedures performed in this model. Thus, chances of unnecessary billable treatments and processes rise, while ensuring patient health and well-being declines. It may thus have a significant impact on patient recovery or enhanced health results.
- Value-Based Healthcare (VBHC) was expected to gain prominence in the country as a modality for combating the above challenges. However, KPI measurement and data management are key concerns in the approach. Implementing VBHC requires collecting, analyzing, and managing an extensive range of varied patient data. Handling this data securely and ethically is paramount. However, it is anticipated to encounter significant challenges from key stakeholders, including patients and medical professionals, as it proposes to overhaul the long-standing fee-for-service model.
- The development of new technologies and implementation require high capital investment and also skilled workforce. While capital is not a significant challenge for Switzerland, the availability of a skilled workforce is. Implementing and maintaining the latest solutions often requires qualified specialists. With the rising salary range, the cost-benefit ratio of technology might be affected, and thus is a significant challenge in the healthtech sector.

5.5.3.2 GCC

Technologically, GCC countries boast advanced infrastructure, enabling rapid AI adoption. However, uneven distribution highlights the need for targeted investments to bridge disparities in access and quality of care.

- Despite emerging efforts in research and development (R&D), most Healthtech solutions are being developed outside the region. Private-public partnerships (PPP) formed for advancing health often get stalled at the formalization of the agreement stage due to barriers from local regulations.
- A significant challenge encountered while implementing Healthtech solutions is data privacy and regulations pertaining to cross-border health data transfer. For cross-border data transfers, almost all countries of the GCC region require additional consideration and, in certain cases, approval from the local authorities. Saudi Arabia amended the Personal Data Protection Law in September 2023, removing the strict prohibition on transfers of personal data outside Saudi Arabia and the requirement of exceptional approval from the Saudi Authority for Data and Artificial Intelligence (SDAIA). Oman allows for cross-border data transfer, but only after the appointment of both a Data Protection Officer (DPO) and external auditor.

5.5.4 Top Current Projects in the Healthtech Sector

5.5.4.1 Switzerland

- The Swiss Personalized Health Network (SPHN) is a national program under the guidance of the Swiss Academy of Medical Sciences (SAMS) and in collaboration with the SIB. It enables the development, implementation, and validation of organized data infrastructures and renders health-relevant data interoperable and shareable for research in Switzerland. The SPHN Management Office (MO), together with the SIB Personalized Health Informatics (PHI) Group, coordinates the funding and drives the development of coordinated infrastructures, compatible data management systems, interoperability of data, and governance of guidelines.
- In December 2023, The Digital Health Nation Innovation Booster, in partnership with Innosuisse, fosters radical innovation in Swiss healthcare by transforming ideas into solutions that deliver real value to patients and healthcare professionals.
- Swiss government pushes for digitalisation in healthcare. In March 2024, the government provided funding package worth almost CHF400 million (US$455 million) over the next ten years intended to drive digitalisation in the healthcare sector
- The Ethical, Legal, and Social Implications Advisory Group (ELSIag) is an advisory body to the SPHN. It is tasked to address key legal, ethical, and societal challenges that are applicable to SPHN's activities. Furthermore, ELSIag aims to sensitize all players about the frameworks, regulations, and latest developments to deal with research data in a unified and ethical manner.
- As part of the SPHN IT architecture strategy, the SPHN Connector tool was developed by the University Hospital of Zürich (USZ). The tool was created to facilitate the formation of valid SPHN-compliant graph data based on semantically described relational data in hospital data platforms. The tool is an integral part of the SPHN ecosystem for findability, accessibility, interoperability, and reusability (FAIR) data.
- The SPHN Federated Query System (FQS) permits searching for anonymized clinical information across all five Swiss university hospitals while permitting the hospitals to maintain full control over their data. Researchers can evaluate suitable patient data for a specific research question across one or several university hospitals in Switzerland.
- The SPHN Cohort Consortium on Maelstrom donated metadata from the Swiss population and disease- specific cohorts to the internationally renowned Maelstrom Catalog to improve their usability and discoverability in national and international research projects.
- TI4Health is a secure discovery and analytics platform that enables a clinician or researcher to perform exploratory queries through a user-friendly graphical interface securely. TI4Health ensures data security by relying on a combination of advanced technologies for information security, such as secure multi- party computation, homomorphic encryption, and differential privacy.

5.5.4.2 GCC

5.5.4.2.1 Saudi Arabia

- In January 2024, Open Medical Europe, announced collaboration with the Ministry of Health (MOH) in the Kingdom of Saudi Arabia, and Farouk, Maamoun Tamer & Co. (Tamer) from Saudi Arabia to advance healthcare in Saudi Arabia. This collaboration aims to deliver improvements to the Perioperative Care Clinical Pathway through a pilot programme in order to assist MOH's aspirations to enhance surgical waiting list management across the Kingdom.
- Saudi Arabia's Health Sector Transformation Program is dedicated to ensuring a healthy, long, and productive life for everyone in the nation. This program prioritizes innovation, disease prevention, and financial sustainability while enhancing access to healthcare. It also focuses on increasing e-health services and digital solutions, enhancing the quality of care, and adhering to international standards. The program's strong cooperation and integration with government entities enabled Saudi Arabia to address the pandemic swiftly and effectively. Through streamlined vaccine protocols, the use of mobile applications, and increased access to medical services, the nation was a global model of excellence in effectively mitigating the spread of COVID-19. From virtual consultations resulting in seamless prescriptions to remote surgeries guided by top physicians, the country is a leader in utilizing technology to modernize the delivery of health services with ease and adeptness.
- Under Vision 2030, the Saudi Arabian Government plans to invest over US$ 65 billion to develop the country's healthcare infrastructure, reorganize and privatize health services and insurance, launch 21 "health clusters" across the country, and expand the provision of e-health services. Additionally, it aims to increase private sector contribution to 65% from 40% by 2030, targeting the privatization of 2,300 primary health centers and 290 hospitals.

5.5.4.2.2 UAE

- The Cabinet of the United Arab Emirates launched The Centennial 2071 project with an aim to place the United Arab Emirates ('UAE') as the best country in the world by 2071. The vision for 2071 focus on developing areas such as healthcare, medical tourism, life sciences, digital health, telemedicine, and e-health.
- The UAE's 2030 Digital Health Odyssey: By 2030, the UAE is poised to present a showcase of health and technology in symphony, a narrative of human-centric innovation, to improve and enhance the healthcare system in the UAE.
- In October 2022, the Department of Health Abu Dhabi (DoH), the regulator of the healthcare sector in the Emirate, partners with the Higher Colleges of Technology (HCT), largest federal university in the UAE. Through this collaboration, DoH will extend access to HCT healthcare start-ups by connecting them to networks of corporate partners and investors to test and implement their technologies.
- In the UAE, the government has set a clear vision for a digitally advanced healthcare system through initiatives such as the Dubai Health Strategy 2021 and the UAE Vision 2021. This includes implementing electronic medical records, telemedicine, and health monitoring devices. The UAE also aims to leverage technologies like artificial intelligence and big data analytics to improve healthcare outcomes and patient experiences.
- In November 2020, DHA launched the first phase of the Network and Analysis Backbone for the Integrated Dubai Health (NABIDH) initiative. The initiative was designed to provide a unified medical record (UMR) for each individual in Dubai by combining the information contained in all public and private healthcare facilities. The initiative was part of Dubai's health information exchange and population health program, designed to improve quality and patient safety, reduce cost, and provide evidence-based care.

5.5.4.2.3 Qatar

- Owing to the rise in medical tourism, the healthcare sector in Qatar is gaining prominence and is one of the major drivers of the country's economic diversification strategy. Consequently, the healthcare industry has experienced unprecedented levels of growth and is estimated to reach US$ 12 billion by 2024.
- The Qatar National Vision 2030 (QNV) recognizes the importance of a healthy population. It sets out clearly that the healthcare system should "meet the needs of existing and future generations and provide for an increasingly healthy and lengthy life for all." Qatar provides a conducive business environment for healthcare businesses to serve the rapidly growing GCC market, which has 160 ongoing healthcare projects. As per the Investment Promotion Agency Qatar (IPA Qatar), the country's healthcare sector offers state-of-the-art medical facilities, a highly skilled talent pool, an extensive R&D ecosystem, support for PPPs, strong digital adoption, and world-class tech infrastructure.
- Qatar's National Health Strategy sets a particular focus on improving the capacity and capability of the public health system because it ensures programs, activities, and interventions are forward-looking, prioritized, evidence-based, continuously improving, effective, and efficient. The strategy also addresses the range of key public health issues facing the nation. These issues can often be complex and rely on the expertise, will, and drive of many different individuals and organizations. Monitoring and measuring progress against the 63 objectives across 16 key areas will also take place throughout implementation.

5.5.4.2.4 Kuwait

- Under Kuwait's US$ 104 billion National Development Plan (NDP), major improvements to the country's healthcare infrastructure and facilities were started, and more are underway. As per the International Trade Administration (ITA), in 2023, Kuwait's public healthcare sector accounts for ~80% of the healthcare spending in the country. Currently, Kuwait's MoH undertakes the majority of healthcare services rendered, medical equipment purchased, and pharmaceuticals acquired in the country. The Kuwaiti government operates 28 general and specialized hospitals. At the same time, the private sector is projected to grow moderately in the upcoming years, with private firms estimated to account for around 20% of healthcare spending.
- The healthcare sector is going through several reforms, including broadening PPPs and handing over the private sector a larger role in healthcare services. Nine public sector projects worth US$ 5.3 billion are being implemented, while another four projects are being planned. Recently completed public sector projects include the Sheikh Jaber Al-Ahmed Al-Sabah Hospital, which was established in 2020, and the New Jahra Hospital, which was inaugurated in 2021. The latter is currently recruiting staff and acquiring equipment to run all inpatient departments, while currently, it offers only outpatient services. The two hospitals have added ~2,400 beds.
- The Health Assurance Hospitals Company (DHAMAN) initiative has already established five health clinics on a PPP basis. In addition, a US$ 600 million project to build two 600-bed capacity hospitals was completed in the Ahmadi and Jahra governorates and is currently in the final phases of going operational. A third US$ 300 million hospital project is expected to be completed by 2027.

5.5.4.2.5 Oman

- The Ministry of Health (MoH) manages healthcare in Oman by developing policies, strategies, health programs, and plans for this sector. It aids basic and post-basic health education institutes, including nursing and allied fields. The ministry emphasizes a decentralized managerial strategy, as noted in Oman Vision 2040. Presently, Oman has ~90 hospitals with ~7,000 beds, offering specialized and general patient care services.
- In Oman Healthcare sector is poised to experience significant growth due to a few planned mega health projects, which include Sultan Qaboos Medical City (SQMC) with five hospitals and other medical facilities in Muscat; an integrated medical tourism project in Salalah called the International Medical City (IMC), and an integrated healthcare complex in Seeb.
- The extensive pipeline of medical centers, hospitals, and healthcare complexes is expected to play a vital role in boosting Oman's healthcare infrastructure and industry in line with the country's long-term Oman's Health Vision 2050. It will provide huge opportunities for collaborations and joint ventures for global and local private and public healthcare players.
- In January 2022, Oman International Hospital, the multi-super specialty hospital in Oman, launched "Med Academy" at its premises. It was established with support from Siemens Healthineers and was the first of its kind in the private healthcare sector in Oman. It dedicated an exclusive center for medical training and R&D departments for new clinical practices and approaches.

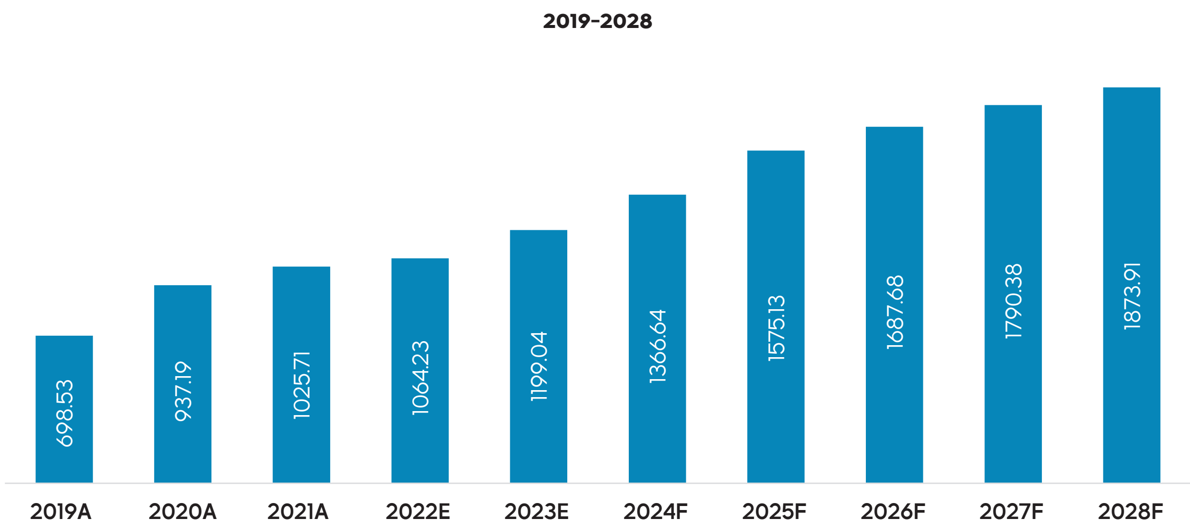
5.5.4.2.6 Bahrain

- Aligned with Economic Vision 2030, the MoH is committed to working as a unified governmental system to ensure sustainability, competitiveness, and justice in providing healthcare services. MoH adopted advanced technologies that enable diverse income sources and reduce reliance on oil as a sole source. Such measures expand the digital industries and unveil new avenues for investments in the health sector.
- National Health Information System (I-Seha) is one of the major developments in the health sector in the Kingdom. I-SEHA system aims to implement a National Health Information System that applies the latest techniques on health services of the MoH to improve services for patients and increase the efficiency of the quality and speed of delivery best available globally in pursuit of the paperless health services for citizens and residents of the country in relation to the provision of health systems (clinical).
- MoH's Bahrain Genome Project involves establishing a specialized center for genetic analysis to improve the quality of health services in Bahrain and prevent diseases—particularly intractable, genetic, and deadly diseases—by using the latest scientific innovations. The ultimate purpose of the center is to protect the Kingdom of Bahrain from illness and prevent diseases in current and future generations. The center will form a database of the Bahraini population's DNA to analyze to identify opportunities in order to advance disease diagnosis and early detection, as well as lower the population's risk of contracting diseases. The project is anticipated to contribute to the early detection of genetic diseases and develop medicines to treat them.

5.5.5 Digital Health Market Forecast

5.5.5.1 Switzerland

Figure 46. Switzerland Digital Health Market Forecast, US$ Million



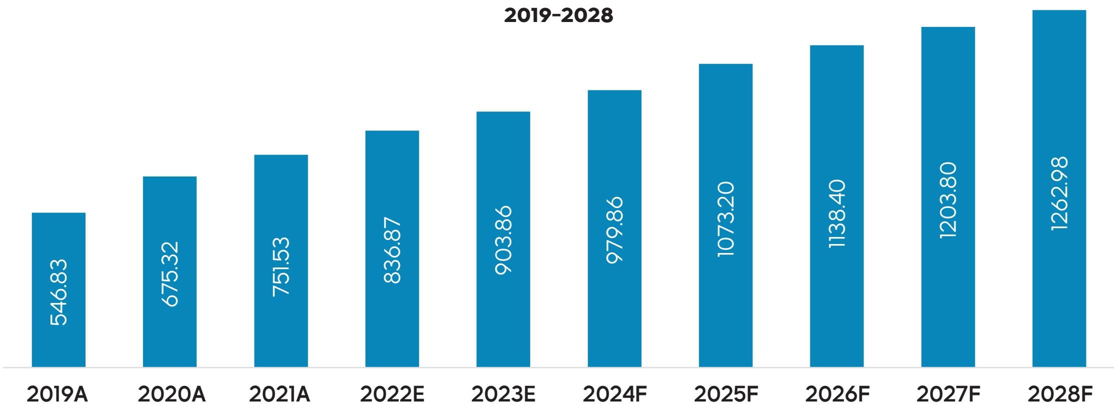
A - Actual, E-Estimated, F-Forecasted || Source: Analyst Team

Switzerland is renowned for its high-quality healthcare system and strong commitment to privacy and data security. Digital health companies in the country prioritize compliance with strict regulations and data protection laws to ensure patient information remains confidential. This focus on privacy and security has fostered trust and widespread adoption of digital health solutions among Swiss consumers. The country's aging population and increasing prevalence of chronic diseases are driving the demand for innovative healthcare solutions. Digital treatment and care services are gaining popularity as they offer convenient monitoring and management of chronic conditions, providing continuous support and guidance to patients. The affluent population in Switzerland, with high disposable income, is willing to invest in digital health solutions to enhance their quality of life. The well-developed infrastructure and advanced technological capabilities create a favorable environment for the growth of the Digital Health market. The government's support for digital innovation further propels the sector's expansion, leading to a competitive landscape with diverse offerings for consumers.

One notable trend in the Swiss Digital Health market is the rise of digital fitness and well-being platforms. With a strong emphasis on health and wellness in Swiss culture, these platforms offer personalized fitness plans, nutrition tracking, and mental health support, catering to individuals looking to improve their overall well-being from the comfort of their homes. Another emerging trend is the integration of artificial intelligence and data analytics in digital health solutions. Swiss companies are leveraging AI technology to enhance diagnostic accuracy, personalize treatment plans, and improve patient outcomes. This trend is reshaping the healthcare landscape in Switzerland, providing more efficient and effective care to patients.

5.5.5.2 Saudi Arabia

Figure 47. Saudi Arabia Digital Health Market Forecast, US$ Million

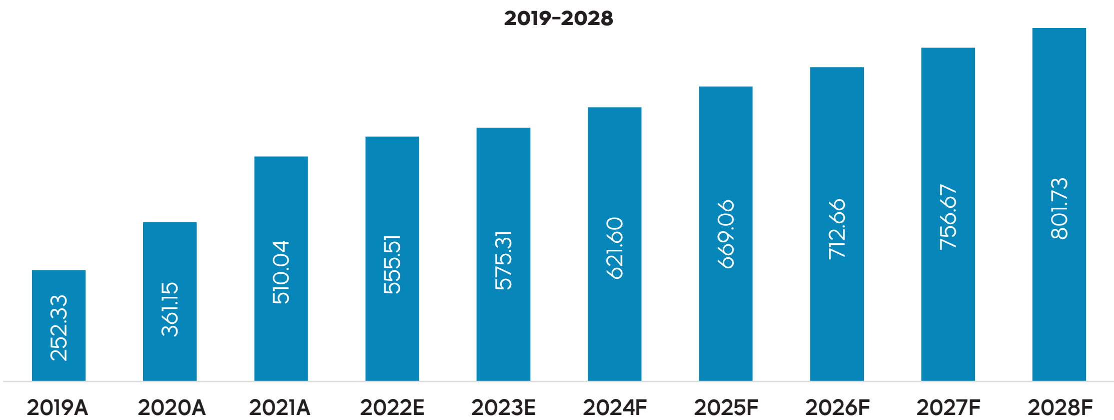


A - Actual, E-Estimated, F-Forecasted || Source: Analyst Team

The digital health market in Saudi Arabia is growing due to factors such as increased healthcare expenditure, rising awareness of preventive healthcare, and a shift towards value-based care. The government's investments in healthcare infrastructure and technology are also driving market growth. The COVID-19 pandemic has further accelerated the adoption of digital health solutions to ensure continuity of care and reduce in-person interactions. Saudi Arabia's large youth population and high smartphone penetration rates contribute to the adoption of digital health solutions. The cultural emphasis on privacy and modesty leads to a preference for online doctor consultations, providing discreet access to medical advice. Additionally, the country's expansive geography and limited healthcare infrastructure in remote areas make digital health services a practical alternative for underserved populations. Customers in Saudi Arabia increasingly seek convenience, accessibility, and efficiency in digital health solutions. The younger population drives the demand for digital fitness and well-being apps, while online doctor consultations gain popularity among busy individuals. The digital treatment and care segment also attracts patients seeking remote monitoring and management of chronic conditions.

5.5.5.3 UAE

Figure 48. UAE Digital Health Market Forecast, US$ Million

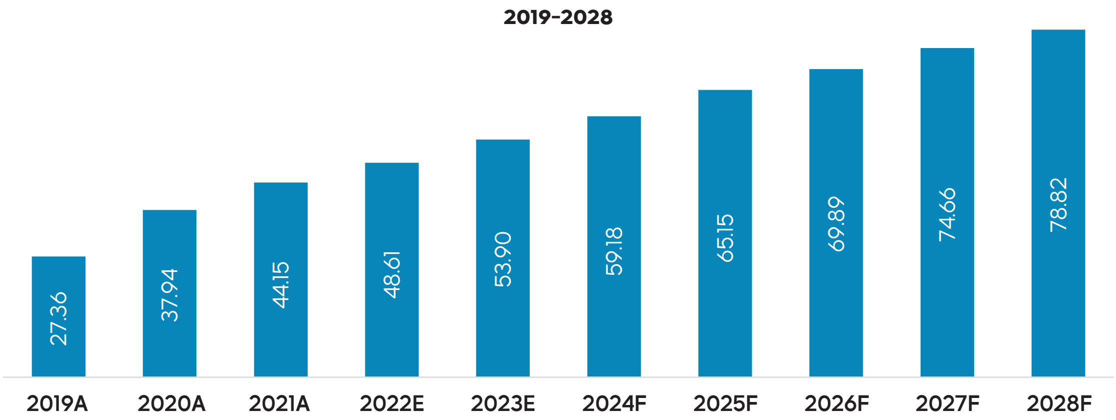


A - Actual, E-Estimated, F-Forecasted || Source: Analyst Team

UAE has a rapidly growing population of tech-savvy individuals who are quick to embrace digital innovations. This, combined with strong government support and investments in healthcare infrastructure, creates an ideal environment for the expansion of the digital health market. In the UAE, consumers are increasingly opting for digital health solutions due to their convenience and accessibility. With busy lifestyles and a growing focus on health and wellness, people are seeking ways to monitor their health, access medical advice remotely, and effectively manage chronic conditions. The demand for wearable devices and fitness tracking apps is on the rise as individuals show a growing interest in preventive healthcare and personalized wellness solutions. Online doctor consultation services are gaining popularity in the UAE as they provide a convenient alternative to traditional in-person visits. Remote consultations appeal to busy urban residents and individuals in remote areas with limited access to medical facilities. The digital treatment and care sector in the UAE is advancing with technologies such as telemedicine, remote patient monitoring, and digital therapeutics. These innovations are revolutionizing healthcare delivery by enabling remote diagnosis, treatment, and management of various health conditions, resulting in improved patient outcomes and reduced healthcare costs.

5.5.5.4 Qatar

Figure 49. Qatar Digital Health Market Forecast, US$ Million

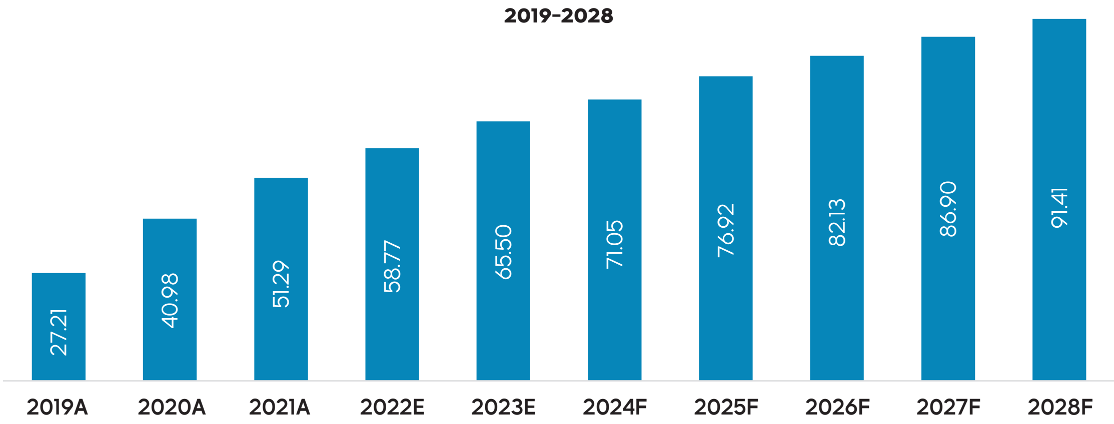


A – Actual, E-Estimated, F-Forecasted || Source: Analyst Team

In Qatar, the government's commitment to advancing healthcare services and promoting digital innovation is fostering the growth of the Digital Health market. Initiatives such as the National Health Strategy 2018-2022 and the Digital Health Strategy have been driving the adoption of digital health solutions across the country. Qatar's high smartphone penetration rate and advanced healthcare infrastructure further contribute to the widespread acceptance of digital health technologies among the population. The country's robust economic growth and high per capita income also support the expansion of the Digital Health market. As disposable incomes increase, individuals are investing more in their health and well-being, resulting in a greater demand for digital health solutions. Additionally, the government's investments in healthcare infrastructure and digital initiatives create opportunities for digital health companies to innovate and thrive in the market. Customers in Qatar are increasingly turning to digital health solutions for their convenience and accessibility. The younger population, in particular, is technologically savvy and prefers digital platforms for fitness tracking, online doctor consultations, and digital treatment options. The trend towards preventive healthcare is also driving the demand for digital fitness and well-being solutions among health-conscious individuals in Qatar.

5.5.5.5 Kuwait

Figure 50. Kuwait Digital Health Market Forecast, US$ Million

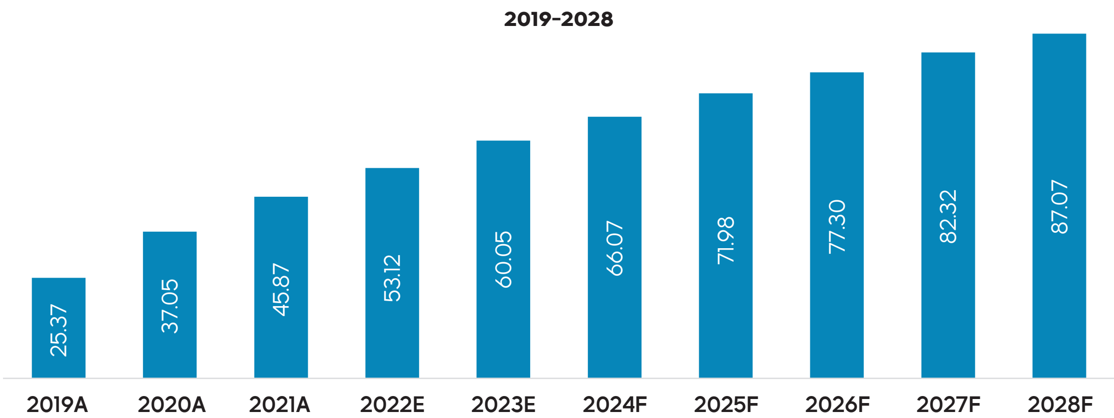


A – Actual, E-Estimated, F-Forecasted || Source: Analyst Team

In Kuwait, the government is actively promoting digital health initiatives to enhance healthcare services and outcomes nationwide. This focus on digitization is driving investments in innovative technologies and infrastructure to meet the increasing demand for digital health solutions. The cultural importance placed on health and well-being in Kuwait is also encouraging individuals to explore digital platforms for effective healthcare management. A notable trend in the Kuwaiti Digital Health market is the growing adoption of wearable devices and health tracking apps. These technologies enable real-time monitoring of health metrics, promoting a proactive approach to healthcare. Additionally, telemedicine platforms are expanding in Kuwait, providing patients with remote access to healthcare professionals for consultations and follow-ups. The integration of AI and machine learning in digital health solutions is also on the rise, improving diagnostic accuracy and treatment outcomes.

5.5.5.6 Oman

Figure 51. Oman Digital Health Market Forecast, US$ Million

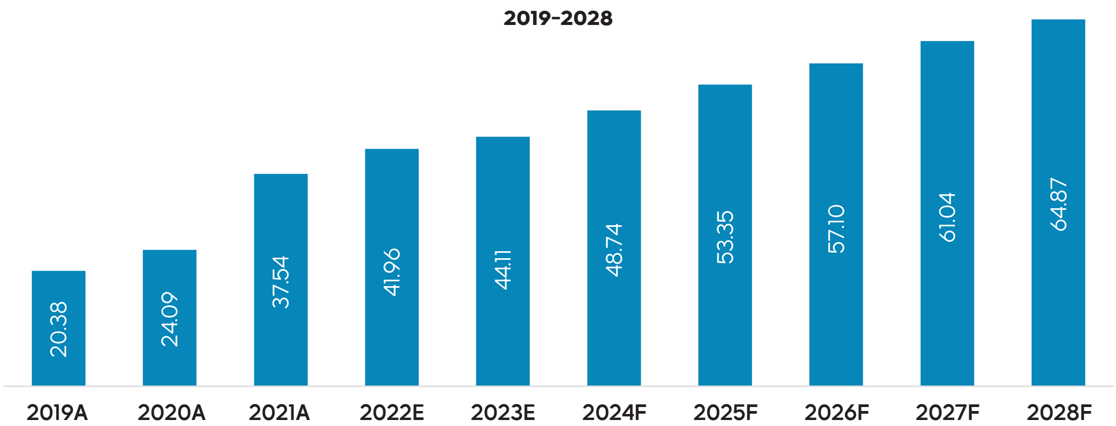


A – Actual, E-Estimated, F-Forecasted || Source: Analyst Team

In Oman, the Digital Health market is undergoing a transformation towards more comprehensive and integrated platforms that provide a wide range of services, including fitness tracking, virtual consultations, and digital therapeutics. This shift is driven by collaborations between technology companies, healthcare providers, and government entities, all working together to improve the digital health infrastructure in the country. To ensure a seamless adoption of digital health solutions, there is a strong focus on data security and privacy compliance, aiming to build trust among users. Omani consumers are increasingly attracted to digital health solutions because of their convenience and accessibility. The younger population, in particular, shows a greater inclination towards digital fitness and well-being apps, using them to monitor their health metrics and stay fit. Online doctor consultations are becoming more popular, especially among busy individuals who find it difficult to visit healthcare facilities in person. Additionally, the digital treatment and care segment is experiencing a surge as patients seek remote monitoring options and personalized healthcare services.

5.5.5.7 Bahrain

Figure 52. Bahrain Digital Health Market Forecast, US$ Million



A – Actual, E-Estimated, F-Forecasted || Source: Analyst Team

In Bahrain, there is a growing trend of increased investments and collaborations between technology companies and healthcare providers in the Digital Health market. This is aimed at enhancing digital health offerings and is driven by the government's focus on promoting digital health initiatives and integrating technology into the healthcare system. The COVID-19 pandemic has further accelerated the adoption of digital health solutions in Bahrain, with more individuals turning to telemedicine and remote healthcare services for their medical needs. The convenience and accessibility of digital health solutions have led to an increasing preference for these services among customers in Bahrain. The younger population, in particular, is inclined towards digital fitness and well-being apps to monitor their health and fitness goals. Online doctor consultations are also gaining popularity among busy professionals and individuals seeking quick medical advice without the need for in-person visits. Additionally, there is growing interest in the digital treatment and care segment, with patients looking for remote monitoring and management of chronic conditions. The Bahraini government has been actively promoting digital health initiatives and integrating technology into the healthcare system. This focus has contributed to the surge in investments and collaborations between technology companies and healthcare providers in the Digital Health market.

5.5.6 Partnership Between Switzerland and GCC Countries

NOV 2023

In November 2023, the Sultanate of Oman and the Swiss Confederation in Muscat signed several memorandums of understanding (MoUs) to improve areas of cooperation between the two countries in various sectors. The MoU covered the fields of healthcare, sustainable and renewable energy and its technologies, capacity building, tourism, diplomatic studies, and training.

JUN 2023

In June 2023, the Department of Health - Abu Dhabi (DoH) and Eli Lilly Suisse SA signed a Declaration of Collaboration to support clinical research and healthcare innovation and establish a framework for collaboration on clinical research, real-world evidence, and healthcare technology.

OCT 2022

In October 2022, representatives of Swiss Clinics, under the leadership of Switzerland Tourism, visited Saudi authorities, hospitals, and health insurance companies to improve and strengthen ties between Switzerland and Saudi Arabia.

MAY 2021

In May 2021, MindMaze Healthcare, a Lausanne-based Swiss technology company that specializes in treating brain disorders, partnered with Saudi company Alkholi Medical and expanded into Saudi Arabia. MindMaze develops digital neurotherapeutics to help repair damage caused by strokes, Parkinson's, multiple sclerosis, and other neurological conditions.

FEB 2021

In February 2021, Saudi Arabia's Ministry of Interior and Switzerland-based pharmaceutical company Roche Holding AG signed a MoU to develop Saudi Arabia's healthcare and life science sector.

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