



Services

Innovative opportunities: How businesses can leverage the Middle East's rise in digital economies

With decades of experience in the region, we recognize the Middle East's position as a bustling hub for innovation, built up of diverse, culturally rich countries – something expanding businesses across the world should be exploring. In countries across the Middle East, a recent and rapid boost in digital infrastructures has left economies thriving and opportunities omnipresent. In fact, the region's digital economy is set to hit an estimated combined value of \$780 billion by 2030 (Wamda TechGPT report, 2023).¹

A digital future, led by governments

The origin of the Middle East's digitalization may be surprising. In many instances across the region, a country's government is the one pioneering digital change – as opposed to innovative private sector companies. By implementing different digital infrastructures, governments across the Middle East are creating in-app, end-to-end experiences for citizens and companies navigating everything from health information to tax documentation.

The UAE government is one of the frontrunners in digital transformation, with an aim to become a "smart country". Their introduction of multiple apps for citizens to use has led to a digitization rate of 99.5% for all government services as of 2023, which has simplified processes while reducing admin delays and paper usage (UAE Government, 2024).²

As this government-driven, digital way of life emerges across the Middle East, the private financial sectors are naturally being influenced – creating new opportunities for businesses and a surge in innovative digitalization.

Saudi Arabia has a strategic location at the crossroads of Asia, Europe and Africa, streamlining cross-border trade through digital solutions. Additionally, digital payments and payment solutions has seen a rapid adoption of cashless transactions, creating a demand for digital wallet and digital banking services.

Powered by the people

Not only is digital innovation being implemented quickly across the Middle East, it's also being adopted by their countries' populations at a rapid rate too. In early 2024, 49.89 million cellular mobile connections were active across Saudi Arabia – that's 134.1% of the total population (Data Reportal, 2024).³ Similarly, in Jordan, over nine million cellular mobile connections were picked up in early 2024 (Data Reportal, 2024).⁴

With young, tech-savvy workforces, and citizens who are evidently embracing digitalization already, the Middle East is full of opportunity for international businesses looking to 'people power' the digital revolution. As more countries build and lean on a digital infrastructure, markets will likely diversify with new opportunities in areas like e-commerce, digital services, and technology.

What digital economies mean for businesses

New projects such as the building of smart cities and digital health hubs can bring about new opportunities for businesses in the Middle East.

Adoption of AI is underway worldwide, but across the Middle East, steps are being taken to position countries as global leaders of AI applications. An example of this is the UAE, which has implemented a national program for AI and a dedicated council to oversee the cause (UAE Government, 2024).⁵ There's been significant growth in the implementation of Internet of Things too, underpinned by huge investments in 5G connectivity. When it comes to blockchain, the Middle East is also relatively advanced compared to other world regions the UAE has progressive policies in place that make investing an attractive prospect.

Take Bahrain as an example. In recent years, the country has opened up doors for a digital economy by elevating their digital infrastructure with investments in connectivity and data centres. As one of the earliest countries to implement a "cloud-first" policy, there is seemingly an abundance of opportunity there for potential investors.

Seemingly permanent digitalization combined with unique buying powers can arguably create the perfect environment for expanding businesses in the Middle East.

Spotlight: Digital finance

From the adoption of instant payments to open banking, the financial market's infrastructure has undergone rapid transformation – with companies across the Middle East already implementing cloud-based solutions.

For the Middle East, this digitalization goes beyond having a national impact on individual countries. Adoption of innovation at this level has resulted in countries being able to make global payments almost seamlessly. This is all thanks to technologies that allow visitors to use their own currencies abroad and with cross-border clearing solutions. Coupled with the implementation of open banking, API platforms, and real time payment and data exchange capabilities, these infrastructures help make the Middle East a model environment for businesses to thrive.

Promising potential across the region

With its combination of advanced foundations, and the promising potential seen in investments and workforces, it is without question that the Middle East is a global frontrunner in the rapid development of digital economies.

Innovation is being seen within individual countries and also across the region as a whole, with infrastructures that enable promising growth for businesses looking to expand. However, understanding where your business can become a part of this new growth can be challenging to identify and action.

Our physical presence across 28 countries in the Middle East and Africa region and decades of Middle East-specific experience, Citi has in-depth of understanding different countries' local politics, regulations, economic conditions, and business landscapes. Our Trade and Treasury Solutions (TTS) can help your business to make impactful investments in countries that suit your business needs, enabling successful expansion.

Reach out to a Citi representative to see how we can support your business.

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¹ [Wamda. 'Middle East's digital economy to hit \\$780 billion by 2030: TechGPT report'](#)

² [Digital Dubai | The Official Portal of the UAE Government](#)

³ [Digital 2024: Saudi Arabia – DataReportal – Global Digital Insights](#)

⁴ [Digital 2024: Jordan – DataReportal – Global Digital Insights](#)

⁵ [UAE Government. 'Artificial intelligence in government policies'](#)