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Digital transformation in the MENA region

by Marianna Dellantonio



The digital transformation market has long been shaping the way enterprises do business, and it is expected to positively impact market growth over the coming years given that it entails low entry investment costs. The MENA region is no exception to this phenomenon. The digital revolution is going to deeply affect the economies, societies and future sustainability of the Middle East.

The term digital transformation usually refers to the application of technology to enhance the performance of enterprises and extend their reach to customers. In order to accomplish this, executives from different industries are focusing on implementation of digital platforms in their organisation, including social media, analytics, mobility and smart devices. Digitisation improves management decisions, extends the reach of the organisation and speeds up new product and service development. The role played by information and communications technology (ICT) and

digital transformation technologies is becoming increasingly crucial in doing business, as it is estimated that every 20% increase in ICT investment leads to a growth of over 1% in national GDP. It should therefore not come as a surprise that MENA government entities have spent approximately USD 15bn in 2018 in digital transformation processes.

Back in 2015, the MENA digital transformation market was already valued at USD 1.12bn, with a rapid growth forecast for the period 2015-2021. However, according to the research conducted by ARC Advisory Group, even though more than 80% of industrial process manufacturers are piloting advanced technology, only 5-8% of them are ready for digital transformation today. Rising adoption of digital devices by small and large scale enterprises is expected to be a key growth driver of the digital technology implementation market in the MENA region, especially in the GCC countries. Saudi Arabia, Oman and the

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