

**Region Middle East &
Africa Market Presentation**

Team
FINLAND

Region Middle-East & Africa

Business Finland

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Team Finland in MIDDLE EAST AND AFRICA

Embassies & BF:

- Kenya, South Africa, Nigeria, Morocco, Saudi Arabia, United Arab Emirates

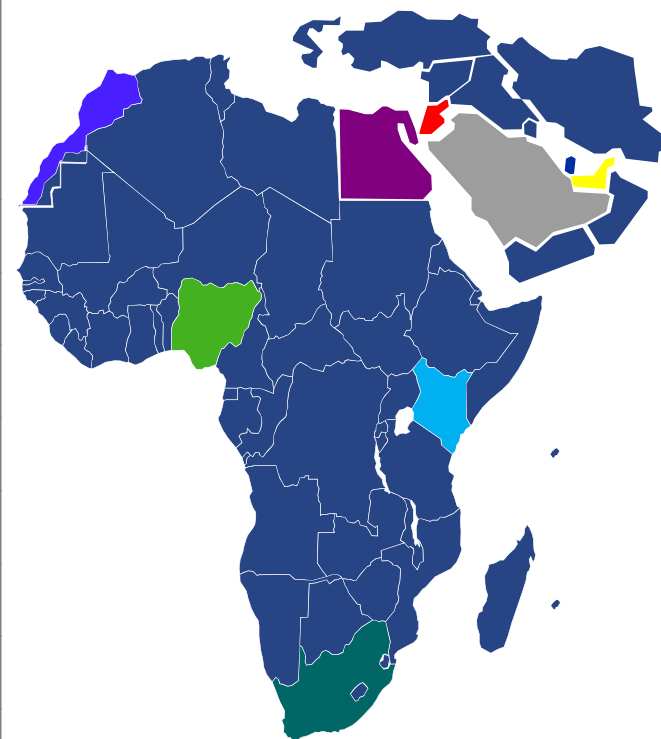
Embassies, without BF office:

- Algeria, Egypt, Ethiopia, Mozambique, Namibia, Zambia, Tanzania, Tunisia, Afghanistan, Irak, Iran, Israel, Lebanon



MEA COUNTRY OVERVIEW 2020 (estimates January 2021)

No.	Country	Population (million)	Population density (per km2)	GDP Nominal BUSD	GDP Capita USD	National Debt to GDP ratio	GDP Growth 2021f
	Finland	5,540,720	18	269	48.461	59,88%	+3,6%
1	South Africa	59,308,690	49	281	4.736	57,81%	+3,0%
2	Kenya	53,771,296	93	112	2.075	55,50%	+4,7%
3	Nigeria	206,139,589	223	443	2.149	30,05%	+1,7%
4	Morocco	36,910,560	83	115	3.121	65,11%	+4,9%
5	Saudi Arabia	34,813,871	16	682	19.587	23,71%	+3,1%
6	UAE	9,890,402	118	354	35.792	19,20%	+1,3%
7	Egypt	102,334,404	102	362	3.537	86,93%	+2,8%
8	Israel	9,097,000	398	383	41.559	76,00%	+4,9%



Middle East

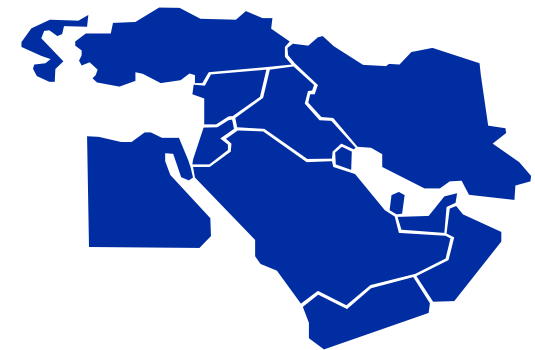
Focus Gulf Co-operation Countries (GCC)
Saudi Arabia, United Arab Emirates, Qatar
Kuwait, Oman, Bahrain

MIDDLE EAST

Why Middle East on focus?

Middle East
Population
2021 411 MN
2050 680 MN

- Young population (60% under 25) and GCC median age is 27 years
- Increasingly seeking ways to reduce dependency on oil and to diversify their economies through long-term strategies
- Government agencies driving digital transformation agendas in a top-down approach with significant budgetary allocations
- Saudi Arabia is the largest Arab market with heavy dependency on imports for most of its manufactured goods and foods, while UAE is in the midst of preparing investment strategy for next 50 years



MIDDLE EAST, GULF – BUSINESS DRIVERS

Mega Events & Projects

KSA : NEOM-QIDDIYA-RED SEA PROJECT
UAE : EXP 2020 – MBR SOLAR PARK
QATAR : WORLD CUP 2022 –LUSAIL CITY

GCC = Gulf Co-operation Countries

Digital Transformation

The COVID-19 pandemic forced both the government and private sector to accelerate its digital transformation. GCC public and private sector have been directing **vast resources toward the digitalization** of their infrastructure in : Smart government – Digital Health- ecommerce- Fintech- Smart cities- 5G and smart Mobility.

Economic Diversification

Transition from oil-based economy by facilitating business, improving service efficiencies, creating new investment opportunities, and encouraging entrepreneurship

Energy Revolution

Shifts in the generation, distribution, and storage of **energy to more cleaner**, accessible, intelligent, connected, and responsive realms.

Food Security

COVID-19 pandemic has raised concerns about the current status quo and the outlook of food security in the GCC. This has triggered series of initiatives by GCC governments to build a dedicated strategies that ensure a **higher level of local production**, creating opportunities for closed environment agriculture and aggrotech technologies.

Demographics

One of the **fastest-growing populations in the world**. In 2018, 50% of the GCC population was under the age of 30. The governments is investing in improving the educational environment which creates opportunities for skillset training, vocational education, innovation and entrepreneurial activities (for SMEs).

Sustainability & Circular

Sustainability is a topic of great interest today for the GCC. Many governments have integrated Environmental sustainability into their strategies, with **more focus on circular economy**. Many GCC countries have set ambitious targets for renewable energy generation and waste recycling to reach by 2025 and 2030.

Opportunities in Middle East

Digitalization

- Strong demand for digital solutions for all vertical accelerated by COVID-19
- Strong growth in e-commerce and fintech, with increased awareness of cyber security
- E-government solutions
- Platforms for 5G use cases with monetisation

Energy and Circular Economy

- Energy efficiency solutions
- Analytics, cybersecurity, AI based solutions
- Storage
- EVs and supportive infrastructure
- Waste management and recycling

Opportunities in Middle East

Healthcare

- Strong digitalization efforts accelerated by COVID-19
- Increased interest in solutions in early diagnostics, monitoring and prevention due to the prevalence of lifestyle diseases

Agrotech

- Technologies and solutions enabling food production in harsh environments

Mining in KSA

- One of the most mineral rich countries in the ME
- Mining identified as one of the pillars of Saudi diversification efforts
- Expected opening up the market to foreign investments in 2021
- Interest in digital solutions from Finland as well as skills development

Middle East – Business Environment

- Countries are Monarchies, hierarchy, strong top-down society, a lot of middle-men.
- "Know-Who" in decision making process is the most important success factor => contact & decision making network
- Team Finland seamless co-operation is must. Embassy is a door opener for high level meetings and in building the long term relations and trust
- Long term plan and commitment with proper resources required
- Building clusters and group of companies in Finland makes market entries and growths easier and more rapid.
- Presence & good network is must



Middle East – Business Environment

- **People prefer face-to-face meetings, as doing business is still mostly done against an intensely personal background.**
- **Establishing trust is an essential part of ME business culture; therefore cultivating solid business relationships before entering into business dealings is key to your success. Respect and friendship are values that are held very highly by the Arab people.**
- **Arabic language skills is benefit**
- **Repeat business will come if you build relationships.**
- **The value add to be clear in the end to end offering.**



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Africa

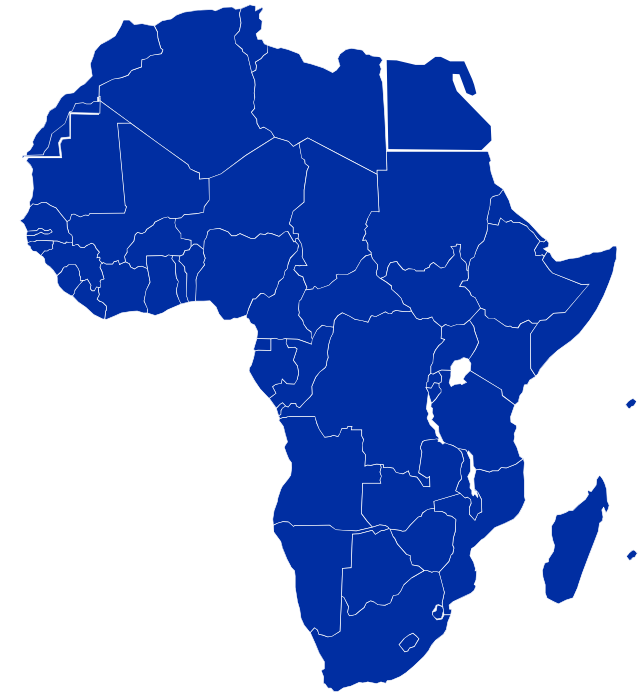
Focus Nigeria, Kenya, South Africa, Morocco

AFRICA

Why Africa on focus?

Africa Population
2021 1.4 BN
2050 2.5 BN

- **Youngest & fastest growing population**
- **By 2030 one in five people in the world will be African**
- **Home to several of the world's fastest-growing economies**
- **Great need to accelerate growth to attain SDGs**
- **Rising middle class & rate of urbanization**
- **Rising youth & digital literacy rates**
- **Burgeoning commerce & e-commerce environment**



AFRICA BUSINESS DRIVERS

Mega Events & Projects

SA : OPERATION PHAKISA, NATIONAL HEALTH INSURANCE,
KENYA : TURKANA WIND POWER, THE LAPPSET CORRIDOOR PROGRAM
NIGERIA : DANGOTE REFINERY, EKO ATLANTIC CITY, LAGOS DEEP SEAPORT
MAROCCO : DAKHALA PORT, ZENATA SMART CITY

Digital Transformation

Digital Health – Fintech – Remote Learning & Software – Cyber Security.

Economic Diversification

Transition from oil-based economy and heavy importation - From raw materials and commodities to processed goods - African Continental Free Trade Area.

Energy Revolution

Renewable Energy Solutions - Off-grid industrial projects – Smart Metering.

Food Security

Agrotech – Logistics – Cold Storage – Local Production – Supply Chain Management.

Demographics

One of the fastest-growing continents in the world – Young population – Urbanization – Consumer Markets.

Sustainability & Circular

Circular Economy and Sustainability is starting to be of interest. African Circular Economy Alliance was conceived at Kigali in 2016.

Opportunities in focus African countries

(Morocco, Kenya, Nigeria, South Africa)

Digitalization

- Robust and reliable Broadband related infrastructure
 - Value Added Services – Data center deployment, Business continuity
 - Fintech
 - Cyber Security
 - Remote learning and software development

Energy

- Renewable energy solutions (Hydro, Geothermal, Wind and Solar)
 - Solutions to increased capacity is needed on all levels from production, transmission, and on-grid and off-grid energy.
 - Smart Metering
 - Off-grid power generation solutions

Opportunities in focus African countries

(Morocco, Kenya, Nigeria, South Africa)

Healthcare

- Remote health care solutions
 - Medical Equipment
 - Smart Diagnosis Services
 - Nationwide Pharmacy Network / Drug delivery service

Agrotech

- Modernization and digitalization of the food supply chain
 - Information, research and knowledge management – Agro-training.
 - Digital Infrastructure management and cold storage
 - Agro-related Fintech solutions

Other Sectors

- Consumer Business, Transport and logistics, Construction (Housing & Infrastructure) and Automotive Aerospace (Morocco)

Africa – Business Environment

Eastern-, Western- and Southern Africa countries (Kenya, Nigeria, South Africa)

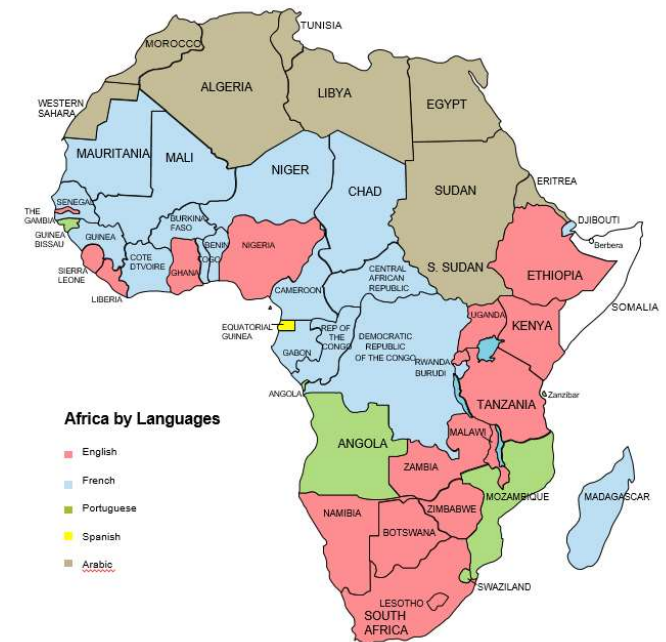
The most of the countries are republics with one or two strong parties and president as leader.

English speaking countries (French & Portuguese)

Legal systems are based on Common and German law.

European like business culture (formal dressing code)

Well established banking sector



Africa – Business Environment

Well established banking sector

Face to face meetings are important

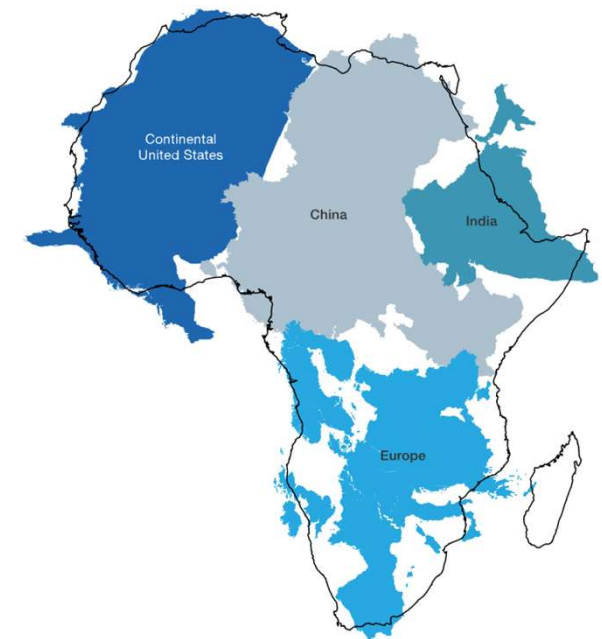
Local presence needed

Public sector, embassy is a door opener for high level meetings and relations

Traffic is main challenge in the cities

E-visa prior on arrival or visa at arrival

Africa's size is difficult to comprehend without comparisons

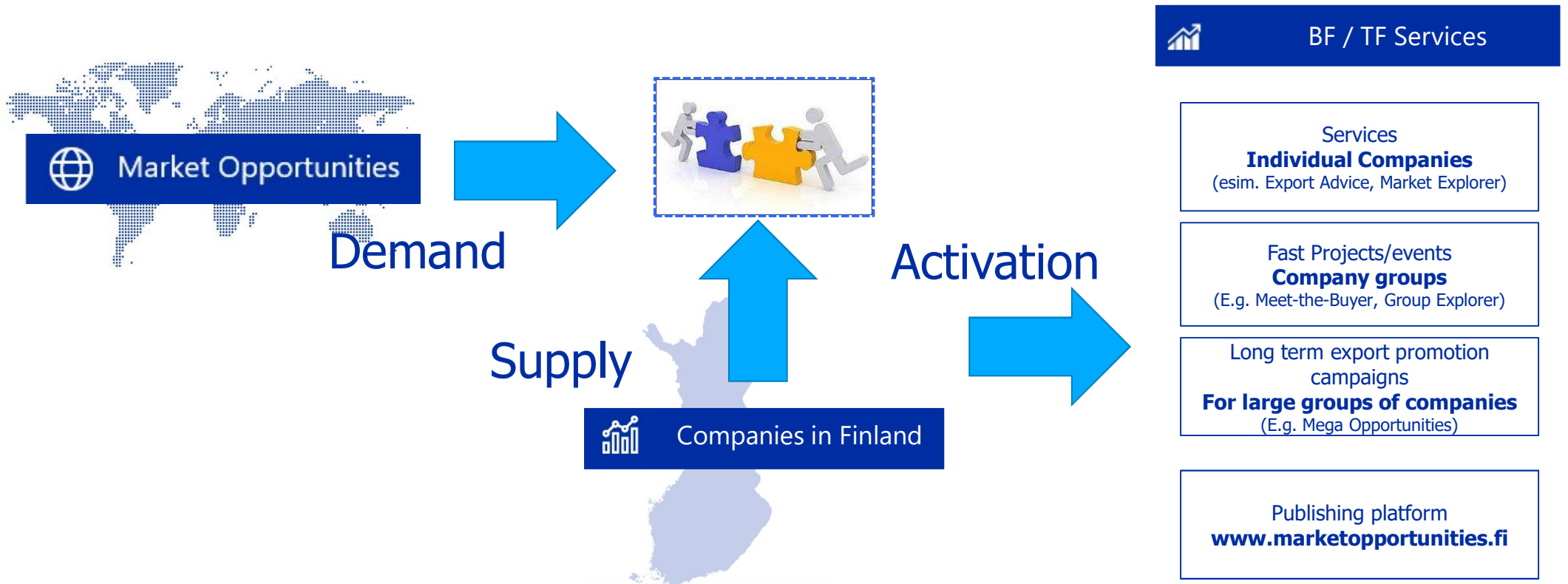


McKinsey&Company

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Services

Operative model: Bringing together Demand and Supply



Business Finland Services for Export Promotion

FUNDING

Funding for market research and the use of external consultants

CONTACTS AND NETWORKS

Building networks relevant to industries and passing on contacts to Finnish companies

MARKET OPPORTUNITIES

Proactive search for market opportunities and delivery to Finnish companies

ADVICE AND COACHING

Challenging companies' export plans and solving problem areas with commercial consultants

LOCAL KNOWLEDGE

Advising Finnish companies on local corporate culture and operating models

EXPORT PROMOTION VISITS

TF visits and other delegation trips creating relevant contacts in the target market

EXPORT PROGRAMS

Focused and designed joint offering campaigns in the target country together with a group of companies

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Thank you!