



Investors spotlight panel

Investment landscape in the Arab region and what investors look for in SMEs and startups

20 November 2026

11:00–12:00 | Room TBC

Background and regional context

The investment landscape in the Arab region is entering a new phase. Following a global funding slowdown, venture capital activity recovered in 2025, to varying degrees across countries, sectors, investment stages and business models. According to MAGNiTT, funding in the Middle East and North Africa (MENA) region increased by 74% year-on-year in 2025 to more than \$3 billion, with Saudi Arabia and the United Arab Emirates remaining the principal investment hubs.¹

Wamda offers a complementary view, indicating that 647 startups raised approximately \$7.5 billion in 2025, including debt financing. Saudi Arabia accounted for \$5 billion across 211 deals, and fintech attracted \$4.4 billion (around 58% of total funding). Business-to-business startups attracted more capital than business-to-consumer startups, reflecting investor interest in scalable business models that serve enterprises and institutional customers.² The varying totals reported by MAGNiTT and Wamda stem from differences in methodology and coverage, but both point to the same broader pattern: the 2025 recovery and the concentration of capital in particular markets, sectors and larger rounds.

Data for the first quarter of 2026 suggest that this momentum is continuing, with greater selectivity and increased sensitivity to geopolitical and market conditions. According to MAGNiTT, total funding increased quarter-on-quarter, with capital concentrated in fewer, larger rounds, and deal activity declined to its lowest level in five years. Saudi Arabia and the United Arab Emirates continued to anchor the regional ecosystem, while international investor participation was constrained.³

Fintech remains one of the strongest areas of investment activity, and enterprise software, artificial intelligence (AI) and other technology-enabled business models are attracting growing investor attention. In 2025, AI accounted for 22% of venture capital funding and 29% of deals.⁴ Investors are looking beyond the technology itself and prioritizing companies that provide scalable and commercially relevant applications.

Investment is also becoming more differentiated by stage. Early-stage financing remains essential for supporting new start-ups, while later-stage and growth capital is increasingly concentrated in businesses that have demonstrated market demand and a credible pathway to scale. Pre-seed and seed rounds represented 61% of deals between 2021 and 2025 but only 22% of funding, illustrating the difference between the volume of early-stage activity and the amount of capital deployed.⁵ This gap is particularly relevant for SMEs and startups that are able to attract initial support but face challenges in progressing to larger rounds.

Understanding the investment landscape therefore requires looking beyond funding figures. The ability of companies to attract capital is shaped by the market size, the depth of the investor base, institutional support, exit opportunities and investment readiness. Evidence from the Organisation for Economic Co-operation and Development (OECD) points to ongoing challenges in SME financing, including tighter conditions and uncertainty, and underlines the importance of diversifying funding sources beyond traditional lending.⁶

Country-level initiatives illustrate diverse approaches to strengthening investment ecosystems, depending on local market maturity and conditions. In Iraq, the Office of the Prime Minister launched the **Riyada Initiative** to empower young people through training, entrepreneurial skills development, business creation support and access to finance, and to promote innovation and the use of digital technologies.

Oman is also developing mechanisms to improve access to capital. By the end of 2025, Future Fund Oman had approved 186 projects with an estimated total value of OMR 1.7 billion. Its portfolio includes major projects, direct investments, and initiatives supporting small and medium-sized enterprises and startups.⁷

Lebanon provides a different perspective. Recent investment activity highlights the role of blended finance, microfinance and private-sector investment in supporting SMEs and entrepreneurs in a challenging economic environment. In 2025, the International Finance Corporation (IFC) announced a \$10 million package for two Lebanese microfinance institutions to expand access to finance for micro, small and medium-sized enterprises (MSMEs) and women entrepreneurs.⁸

Against this backdrop, the panel brings the investor perspective directly into the Summit. It examines where investors are placing capital, why they choose particular opportunities, and what makes a startup or SME investable, focusing on investor priorities and the signals that determine whether to proceed with or decline a deal.

Objectives

- Provide an overview of the current investment landscape in the Arab region, including where capital is flowing across countries, sectors, stages, and business models.
- Examine emerging investment trends and funding gaps, with particular attention to AI and other technologies, and to investor participation.
- Explore the factors that influence investment decisions, including market opportunity, business model, founders, traction, scalability, innovation, and financial performance.
- Clarify what makes SMEs and startups investable and the common reasons investors decide not to proceed.

Agenda

Time	Title	Session description	Speakers
10:00–11:00	Investment landscape in the Arab region and what investors look for in SMEs and startups	This panel focuses on two connected areas: the investment landscape in the Arab region, including where capital is flowing and where opportunities are emerging, and the investor perspective on what makes SMEs and startups investable. The discussion offers practical insight into what strengthens an investment case and what distinguishes a promising business from an investable one.	Badr El Din A. Ibrahim CEO of Ebdaa Microfinance Bahrain and Former Governor of the Central Bank of Sudan Mohamed Al-Hakim Iraqi serial entrepreneur, investor, and co-founder of EQIQ

Endnotes

1. MAGNiTT, [FY 2025 State of Venture Capital in MENA](#), 2026.
2. Wamda Research Lab, [2025 Year in Review: Investments in MENA](#), 2026.
3. MAGNiTT, [Q1 2026 State of Venture Capital in MENA](#), 2026.
4. MAGNiTT, [FY 2025 State of Venture Capital of AI in MENA](#), 2026.
5. MAGNiTT, [Early-Stage Venture Ecosystems: Performance and Patterns Across MENA, SEA & Africa](#), 2026.
6. Organisation for Economic Co-operation and Development (OECD), [Financing SMEs and Entrepreneurs 2026: An OECD Scoreboard](#), 2026.
7. Oman Ministry of Finance, [Future Fund Oman Signs Package of New Project Agreements](#), 9 June 2026.
8. International Finance Corporation (IFC), [IFC Announces New Investments and Engagements in Lebanon to Strengthen Energy, Finance, and Manufacturing](#), 2025.