
Market Assessment

Bahrain, Israel, Jordan, Kuwait, Palestine, Qatar, Saudi Arabia and United Arab Emirates

The objective of this report is to develop a comprehensive market assessment on Bahrain, Israel, Jordan, Kuwait, Palestine, Qatar, Saudi Arabia and United Arab Emirates markets to gather insights of the opportunities in these countries, and identify the major market trends, players and potential partners.

Authors

Clara Aura Esteve

Aureliano Torres

Ana M. García Bernabeu



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1 General economic overview & legal framework

1.1 Middle East outlook

The Middle East is a region that includes countries located in Southwest Asia and North Africa, and it is home to a diverse range of economies, from highly developed nations such as the United Arab Emirates and Qatar, to developing nations such as Egypt and Yemen. The economies of the Middle East are largely dependent on the region's vast reserves of oil and natural gas, which provide a significant portion of the world's energy needs. However, many countries in the region have been working to diversify their economies by investing in industries such as tourism, finance, and technology (Shokoohi, Dehbidi, and Tarazkar 2022).

In a context of turbulent challenges, the global growth is forecast to slow from 5.8 percent in 2021 to 2.9 percent in 2022 and 2.1 percent in 2023 (see [Table 1.1](#)). However, the Middle East and Central Asia region, have recorded higher growth rates since 2022, and their growth has been projected to rise to 3.3 percent in 2023. This primarily reflects a favourable outlook for the region's oil exporters and a milder-than-expected impact of the war in Ukraine on the Caucasus and Central Asia.

One of the challenges facing the economies of the Middle East is the region's political instability and ongoing conflicts, which can have a significant impact on economic growth and development. In addition, the COVID-19 pandemic had a severe impact on the region's economies, with many countries experiencing significant declines in Gross Domestic Product (GDP) and rising unemployment. Despite these challenges, the Middle East remains an important player in the global economy, and many countries in the region have ambitious plans for economic growth and development in the years ahead.

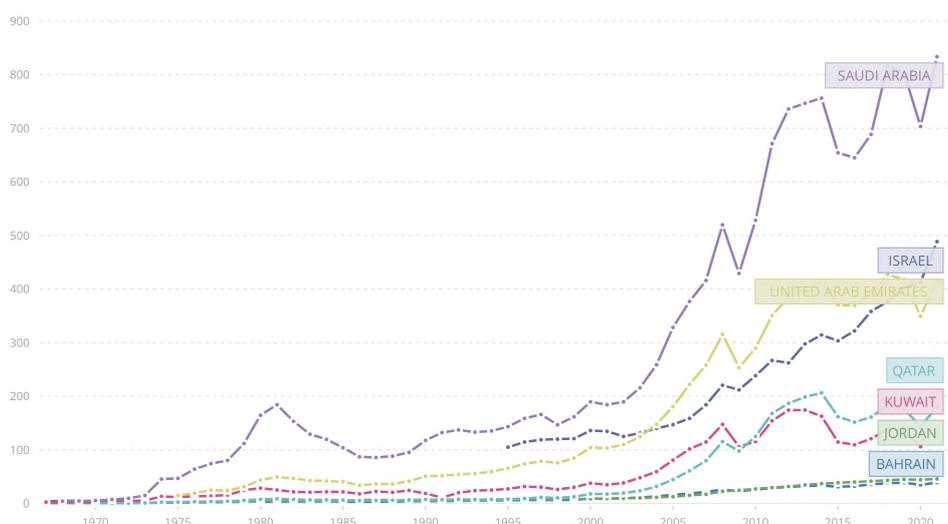
The Middle East faces unique challenges when it comes to sustainable development, such as limited water resources, dependence on fossil fuels, and political instability. However, there are also opportunities for sustainable development in the region, such as increasing renewable energy use, promoting eco-tourism, and investing in sustainable agriculture.

Table 1.1: Overview of the World Economic Outlook Projections.

Source: World Economic Outlook International Monetary Fund 2021

| | 2021 | 2022 | 2023 |
|---|------------|------------|------------|
| World Output | 5.8 | 2.9 | 2.1 |
| Advanced Economies | 5.5 | 2.3 | 1.1 |
| Emerging Market and Developing Economies | 6.7 | 3.6 | 3.6 |
| Emerging and Developing Asia | 7.4 | 4 | 4.7 |
| Emerging and Developing Europe | 6.5 | 0.9 | 0.2 |
| Latin America and the Caribbean | 6.7 | 3.3 | 1.6 |
| <u>Middle East and Central Asia</u> | <u>4.4</u> | <u>4.7</u> | <u>3.3</u> |
| Sub-Saharan Africa | 4.6 | 3.5 | 3.6 |

The group of selected countries in this report, Bahrain, Israel, Jordan, Kuwait, Palestine, Qatar, Saudi Arabia, and United Arab Emirates, have experienced a steady growth of their economies since the beginning of the 21st century. As shown in [Figure 1.1](#), two groups of countries can be distinguished. One group includes, Arabia Saudi, Israel and United Arab Emirates, while the other one comprises Bahrain, Jordan, Kuwait, Palestine, Qatar. No information about Palestine GDP is provided by the World Development Indicator database.

**Figure 1.1:** GDP trend of selected economies (Current US\$)

Source: World Development Indicators database (The World Bank 2022)

Saudi Arabia has the largest economy in the Arab world and is one of the top 20 largest economies in the world with a GDP of over USD 830 billion in 2021 (see [Table 1.2](#)). Its economy is heavily dependent on oil exports, which account for about 87% of government revenues and 42% of the country's GDP. As a result, the Saudi economy is highly sensitive to fluctuations in global oil prices. In recent years, the Saudi government has made efforts to diversify its economy away from oil by promoting private sector growth, developing non-oil industries such as tourism and entertainment, and investing in technol-

ogy and infrastructure. The country has also implemented economic reforms to reduce its dependence on oil and attract foreign investment.

The COVID-19 pandemic had a significant impact on the Saudi economy, as it did on economies around the world and GDP fell by 4.14% in 2020. However, the government implemented a number of measures to mitigate the economic impact of the pandemic, including stimulus packages, financial support for businesses, and increased investment in infrastructure projects. Overall, the Saudi Arabian economy has shown resilience in the face of challenges and continues to be an important player in the global economy.

Table 1.2: Saudi Arabia Economic Outlook (2017–2021).

Source: World Development Indicators

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|----------|----------|----------|----------|----------|
| GDP (current, Billion US\$) | 688.59 | 816.58 | 803.62 | 703.37 | 833.54 |
| GDP growth (annual %) | -0.74 | 2.51 | 0.33 | -4.14 | 3.24 |
| GDP per capita (current US\$) | 20138.15 | 23318.74 | 22430.24 | 19539.57 | 23185.87 |
| Inflation, consumer prices (annual %) | -0.84 | 2.46 | -2.09 | 3.45 | 3.06 |
| Unemployment, total (% of total labour force) | 5.89 | 6.03 | 5.64 | 7.45 | 6.69 |

In terms of sustainable development Saudi Arabia ranks 96th out of 163 countries according to the 2022 SDG index with a score of 66.6 out of 100. This puts Saudi Arabia in the category of countries with a “medium” level of progress towards achieving the SDGs. Saudi Arabia has low scores in most areas, while it appears to be improving in drinking water and sanitation (SDG 6), as well as in the area of industry, innovation and infrastructure (SDG 9), as shown in [Figure 1.2](#).



Figure 1.2: Saudi SDG dashboard 2022

Source: SDG Index (Sachs et al. 2022)

Israel has a developed and technologically advanced economy. It is considered one of the most advanced economies in the Middle East and is often referred to as the “Start-Up Nation” due to its high-tech industry. With a GDP value of more than USD 400 billion in 2021, it is experienced one of the highest growth rates in the post-cooling period (see [Table 1.3](#)). The Israeli economy is heavily reliant on exports, particularly in the high-tech sector. Key industries include software development, cybersecurity, biotechnology, pharmaceuticals, and telecommunications.

Table 1.3: Israel Economic Outlook (2017–2021).
Source: World Development Indicators

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|----------|----------|----------|----------|----------|
| GDP (current, Billion US\$) | 358.25 | 376.69 | 402.47 | 413.27 | 488.53 |
| GDP growth (annual %) | 4.28 | 4.07 | 4.16 | -1.86 | 8.61 |
| GDP per capita (current US\$) | 41114.78 | 42406.85 | 44452.23 | 44846.79 | 52170.71 |
| Inflation, consumer prices (annual %) | 0.24 | 0.82 | 0.84 | -0.59 | 1.49 |
| Unemployment, total (% of total labour force) | 4.22 | 4.00 | 3.80 | 4.33 | 4.32 |

In recent years, Israel has also seen growth in its tourism industry, with over 4 million tourists visiting the country in 2019. The Israeli government has implemented policies to encourage entrepreneurship and innovation, including tax incentives and grants for start-up companies. The country also has a highly skilled workforce and a strong education system.

Despite its strong economy, Israel still faces major challenges related to sustainable development as marked in red in Figure 1.3. The country also has ongoing conflicts with Palestine which can affect its economy and overall stability affecting economic, social and environmental targets. Israel ranks 49th out of 163 in terms of SDG index with a score of 73.5, and seems improving in SDG 3 Good Health and Well-being, SDG 9 Industry, Innovation and Infrastructure, and SDG 11 Sustainable Cities and Communities.



Figure 1.3: Israel SDG dashboard 2022
Source: SDG Index (Sachs et al. 2022)

The United Arab Emirates (UAE) is a highly developed economy and is one of the most prosperous countries in the Middle East. The economy is primarily based on oil exports, which has been fuelling the country's growth since the 1970s. However, in recent years, the UAE has been diversifying its economy to reduce its reliance on oil exports. Today, the country's economy is also driven by sectors such as tourism, trade, real estate, finance, and construction. The UAE's government has been investing heavily in infrastructure, education, and technology to support the growth of these non-oil sectors. Additionally, the country has implemented economic policies aimed at attracting foreign investment and encouraging entrepreneurship.

The UAE's economic growth has been strong in recent years, with a GDP growth rate of 3.92% in 2021. However, the COVID-19 pandemic has had a significant impact on the country's economy, especially in the tourism and aviation sectors. Overall, the UAE's economy is expected to continue to grow and diversify in the coming years, driven by ongoing investment in infrastructure, technology, and non-oil sectors.

Table 1.4: UAE Economic Outlook (2017–2021).

Source: World Development Indicators

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|----------|----------|----------|----------|----------|
| GDP (current, Billion US\$) | 390.52 | 427.05 | 417.99 | 349.47 | 415.02 |
| GDP growth (annual %) | 0.74 | 1.31 | 1.11 | -4.96 | 3.92 |
| GDP per capita (current US\$) | 43063.97 | 46722.27 | 45376.17 | 37629.17 | 44315.55 |
| Inflation, consumer prices (annual %) | 1.97 | 3.07 | -1.93 | -2.08 | .. |
| Unemployment, total (% of total labour force) | 2.46 | 2.24 | 2.33 | 4.29 | 3.11 |
| Oil rents (% of GDP) | 13.02 | 16.58 | 16.35 | 11.51 | .. |

UAE ranks 85th out of 163 countries according to the 2022 SDG index with a score of 68.8 out of 100. The country has recorded its highest records in “No poverty” (SDG 1) and “Quality Education” (SDG 4). In contrast, there are still many challenges in terms of social and environmental issues as highlighted in [Figure 1.4](#).



Figure 1.4: United Arab Emirates SDG dashboard 2022

Source: SDG Index (Sachs et al. 2022)

Bahrain is a relatively small but diverse economy, with a well-developed financial sector and a thriving oil industry. The country's location at the heart of the Persian Gulf has also made it an important trading hub. The oil industry is the engine of the Bahraini economy, accounting for about 85 per cent of government revenues and about 60 per cent of the country's GDP, which accounts for USD 38.87 billion in 2021 (see [Table 1.5](#)). However, in recent years the government has been making concerted efforts to diversify the economy, focusing particularly on the financial and tourism sectors.

The financial sector in Bahrain is one of the most developed in the region, with international banks and financial institutions operating in the country. The Bahraini government has

Table 1.5: Bahrain Economic Outlook (2017–2021).
Source: World Development Indicators

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|----------|----------|----------|----------|----------|
| GDP (current, Billion US\$) | 35.47 | 37.80 | 38.65 | 34.72 | 38.87 |
| GDP growth (annual %) | 4.29 | 2.11 | 2.17 | -4.94 | 2.23 |
| GDP per capita (current US\$) | 24349.91 | 25415.85 | 25869.11 | 23501.92 | 26562.97 |
| Inflation, consumer prices (annual %) | 1.39 | 2.09 | 1.01 | -2.32 | -0.61 |
| Unemployment, total (% of total labor force) | 1.17 | 1.18 | 1.18 | 1.67 | 1.53 |
| Oil rents (% of GDP) | 8.73 | 11.08 | 9.74 | 7.36 | |

implemented policies to encourage foreign investment in the sector, such as providing tax incentives and streamlined regulatory processes.

Bahrain has been making efforts to promote sustainable development in recent years as it ranks 120th of 163 countries. As highlighted in Figure 1.5, it has still major and significant challenges. Moreover, no data is reported about poverty, reduced inequalities, and partnerships for the goals.



Figure 1.5: Bahrain SDG dashboard 2022
Source: SDG Index (Sachs et al. 2022)

Jordan is a small, upper-middle-income country located in the Middle East. Its economy is heavily dependent on foreign aid, tourism, and remittances from Jordanians working abroad. The country has limited natural resources, with its main exports being phosphate and potash. In recent years, the Jordanian government has made efforts to diversify the economy by promoting sectors such as information technology, healthcare, and renewable energy.

According to the World Bank, the Gross Domestic Product (GDP) of Jordan stood at USD 45.74 billion with a growth rate of 2.23%. (see Table 1.6). With very high unemployment rates, the country also faces major challenges in terms of meeting the sustainable development goals.

Table 1.6: Jordan Economic Outlook (2017–2021).
Source: World Development Indicators

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---------|---------|---------|---------|---------|
| GDP (current, Billion US\$) | 41.61 | 43.37 | 44.99 | 44.18 | 45.74 |
| GDP growth (annual %) | 2.47 | 1.92 | 1.93 | -1.57 | 2.23 |
| GDP per capita (current US\$) | 4073.12 | 4146.41 | 4205.56 | 4042.77 | 4103.26 |
| Inflation, consumer prices (annual %) | 3.32 | 4.46 | 0.76 | 0.33 | 1.35 |
| Unemployment, total (% of total labour force) | 18.12 | 18.26 | 16.80 | 19.21 | 18.44 |

Jordan ranks 80th out of 163 countries according to the 2022 SDG index with a score of 69.3 out of 100. The country has achieved the SDG 1 “No poverty”. In contrast, there are still many challenges in terms of social and environmental issues as highlighted in Figure 1.6.



Figure 1.6: Jordan SDG dashboard 2022
Source: SDG Index (Sachs et al. 2022)

Kuwait's economy is a mixed economy heavily dependent on oil exports. The country has one of the largest oil reserves in the world, and oil rents accounts for around 32% of the country's GDP (see Table 1.7). Kuwait has a high standard of living, with a well-developed infrastructure, a strong social welfare system, and a highly educated population. The government also plays a significant role in the economy, with a number of state-owned enterprises operating in key sectors such as oil, electricity, and telecommunications. However, the country faces several economic challenges, including high levels of public debt, a large fiscal deficit, and a need for further diversification of the economy.

Kuwait ranks 101st out of 163 countries according to the 2022 SDG index with a score of 64.5 out of 100 and faces many challenges in terms of social and environmental issues as highlighted in Figure 1.7.

Table 1.7: Kuwait Economic Outlook (2017–2021).
Source: World Development Indicators

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|----------|----------|----------|----------|------|
| GDP (current, Billion US\$) | 121.00 | 138.00 | 136.00 | 106.00 | .. |
| GDP growth (annual %) | -4.71 | 2.43 | -0.55 | -8.86 | .. |
| GDP per capita (current US\$) | 29263.09 | 32007.52 | 30667.35 | 24300.33 | .. |
| Inflation, consumer prices (annual %) | 2.17 | 0.54 | 1.09 | 2.10 | 3.42 |
| Unemployment, total (% of total labour force) | 2.20 | 2.16 | 2.16 | 3.33 | 2.82 |
| Oil rents (% of GDP) | 36.97 | 45.12 | 40.54 | 31.61 | .. |



Figure 1.7: Kuwait SDG dashboard 2022
Source: SDG Index (Sachs et al. 2022)

Palestine. The economy of Palestine is largely dependent on international aid and remittances from Palestinians working abroad. The Palestinian economy has suffered due to decades-long political conflicts, territorial disputes, and economic restrictions imposed by Israel, which controls many aspects of the Palestinian economy (Palestine Monetary Authority (PMA) 2022).

The Palestinian economy is relatively small and largely dependent on services, including tourism, trade, and financial services. The agricultural sector is also important, especially for the West Bank, where it accounts for a significant portion of employment and income. The Gaza Strip, on the other hand, has a higher unemployment rate and a more limited economic base due to the Israeli blockade and restrictions on movement of goods and people.

The Palestinian economy is projected to increase by about 2.5 per cent year-on-year in 2023. This would bring real GDP (2015 prices) to about \$15.9 billion. The labour market also continued to recover in 2021, witnessing a rise in the number of employments. Inflation rises sharply in 2022 (to the highest level since 2010), largely as a result of a rise in global commodity prices (see Table 1.8).

Table 1.8: Palestine Economic Outlook and Forecast (2019–2023).
Source: Palestine Monetary Authority (PMA) 2022

| | 2019 | 2020 | 2021 | 2022 | 2023* |
|---|-------|-------|-------|-------|-------|
| GDP (Real, million US\$) | 15829 | 14037 | 15022 | 15553 | 15945 |
| GDP growth (annual %) | -1.2 | -13.5 | 7 | 3.5 | 2.5 |
| GDP per capita (real US\$) | 3378 | 2923 | 3052 | 3082 | 3083 |
| Inflation, consumer prices (annual %) | 1.6 | -0.7 | 1.2 | 3.8 | 2.2 |
| Unemployment, total (% of total labour force) | 25.4 | 25.9 | 26.4 | 24.8 | 24.5 |

Efforts to develop the Palestinian economy have been hindered by ongoing political conflicts and instability, as well as a lack of investment and infrastructure. However, there have been some recent initiatives aimed at promoting economic development, including the Palestinian Authority's "National Policy Agenda for the Development of the Private Sector" and international aid programs aimed at supporting economic growth and sustainable development.

Qatar is one of the richest economies in the world, mainly due to its natural resources in gas and oil. According to the World Bank, per capita income will exceed USD 66 000 in 2021, and unemployment is virtually non-existent (see [Table 1.9](#)). The state of Qatar is the world's third largest gas producer and the largest producer of liquefied natural gas (110M tons per year, according to Qatar Gas) and exports 75% of its production. Qatar has also developed a number of other industries, including finance, construction, and real estate. The country has highly developed infrastructures, including modern airports, seaports, and road networks, and is home to several large multinational corporations.

The government of Qatar has a significant role in the country's economy, owning many of the major enterprises in the country, including the state-owned oil and gas company, Qatar Petroleum, and the national airline, Qatar Airways. The government also established a sovereign wealth fund, the Qatar Investment Authority, which invests in a wide range of assets around the world. Qatar has a high standard of living, with a well-developed healthcare and education system, and a highly educated population. However, the country faces a few economic challenges, including the need to diversify its economy further and reduce its dependence on hydrocarbons, as well as the ongoing economic blockade by its neighbouring countries.

Table 1.9: Qatar Economic Outlook (2017–2021).
Source: World Development Indicators

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|----------|----------|----------|----------|----------|
| GDP (current, Billion US\$) | 161.10 | 183.33 | 175.84 | 144.41 | 179.68 |
| GDP growth (annual %) | -1.50 | 1.23 | 0.77 | -3.64 | 1.59 |
| GDP per capita (current US\$) | 59407.70 | 66264.08 | 62637.28 | 52315.66 | 66838.36 |
| Inflation, consumer prices (annual %) | 0.39 | 0.26 | -0.67 | -2.54 | 2.30 |
| Unemployment, total (% of total labour force) | 0.14 | 0.11 | 0.10 | 0.14 | 0.17 |
| Oil rents (% of GDP) | 12.87 | 15.55 | 13.68 | 11.66 | .. |

Qatar ranks 94th out of 163 countries according to the 2022 SDG index with a score of 66.8 out of 100 and faces many challenges in terms of social and environmental issues as highlighted in Figure 1.8.



Figure 1.8: Qatar SDG dashboard 2022
 Source: SDG Index (Sachs et al. 2022)

1.2 Commercial Agreements between EU and the addressed markets

The European Union has been present in the Middle East and North Africa since 1979, through a growing number of Delegations in the region. The latest one to open was the EU Delegation to the State of Kuwait and the State of Qatar in July 2019.

The EU's policy towards the Middle Eastern countries seeks to encourage political and economic reform in each individual country in due respect for its specific features (European Neighbourhood Policy) and regional cooperation among the countries of the region themselves and with the EU (Union For the Mediterranean). Via the Middle East Peace process, the European Union is actively supporting efforts to resolve the Israeli-Palestinian conflict and is also a member of the so-called Middle East Quartet (US, EU, Russia, and UN).

In January 2021, the EU's first Arabic speaking Regional Media Officer for the Middle East and North Africa took office. His role is to communicate on EU priorities, policies, positions and projects of interest to the MENA region, complementing the work of the fifteen EU Delegations present in the region.

EU delegations are located in the following countries:

- Kuwait - Qatar
https://www.eeas.europa.eu/delegations/kuwait_en
- Jordan
https://www.eeas.europa.eu/delegations/jordan_en
- Israel
https://www.eeas.europa.eu/delegations/israel_en
- Palestine - The Office of the European Union Representative (West Bank and Gaza Strip, UNRWA)
https://www.eeas.europa.eu/delegations/palestine-occupied-palestinian-territory-west-bank-and-gaza-strip_en
- Saudi Arabia-Bahrain
https://www.eeas.europa.eu/delegations/saudi-arabia_en
- United Arab Emirates
https://www.eeas.europa.eu/delegations/united-arab-emirates_en

The main cooperation tools between the EU and the countries under this study are the following:

EU-GCC relations are based on a **Cooperation Agreement Document signed in 1989**, which establishes regular dialogues on cooperation between the EU and GCC on economic relations, climate change, energy, environment, and research. EU-OIC structured cooperation is governed by a **Memorandum of Understanding (MOU)** concluded in 2015 aiming to (i) exchange views, develop dialogue and cooperation in areas of common interest based on mutual trust and benefit and (ii) promote mutual understanding.

The Union for the Mediterranean (UfM) is an inter-governmental organization that promotes cooperation and dialogue in the Euro-Mediterranean region through initiatives addressing the three strategic objectives of regional stability, human development and regional economic integration. The EU holds the role of Co-Chair alongside Jordan and also provides considerable funding. The European Union (EU) and Israel have a long history of successful scientific and technological cooperation. The **Association Agreement**, signed in Brussels on 20 November 1995 and has entered into force in June 2000, provides the legal framework for EU-Israel relations. It establishes a regular dialogue on scientific, technological, cultural, audio-visual, and social matters. Israel is also part of the **European Neighbourhood Policy (ENP)** and under the European Neighbourhood Policy Action Plan, ten sub-committees were established, including one on research, innovation, information society, education, and culture.

Israel has been associated with the **EU's research and innovation framework programs** since 1996. The agreement on Israel's participation in Horizon 2020 was signed on 8 June 2014. Israel's association agreement with **Horizon Europe** was signed on 6 December and entered into force on the same day. Israel's association is an opportunity to continue and further deepen research cooperation with a focus on mutual priorities such as the twin green and digital transitions, public health as well as ground-breaking innovation.

The country has a long history of association to the EU **Framework Programs for Research and Innovation**. Indeed, Israel figured as an Associated Country since 1996. 2016 marked the 20th anniversary of the country's association the framework programs. Throughout this time, cooperation has been successful with more than 5000 joint research projects on record. Israel also has a number of agreements with the European Commission's **Joint Research Center**.

1.2.1 Bilateral trade EU and the addressed markets

The six Gulf Cooperation Council (GCC) countries (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates) are an important trade and investment region for the EU. The GCC is the sixth largest export market and an important source and destination of investment for EU Member States.

Accounting for 12.3% of the GCC's total trade with the world in 2020, the EU is the GCC's second largest trading partner (just after China, 15.8%). EU will account for 7.8% of GCC imported goods by 2020. This makes the EU the GCC's most important import partner. The EU was the GCC's fourth largest export partner in 2020, with 6.9% of GCC exports going to the EU. Total EU-GCC trade in goods accounted €113.5 billion in 2021. EU imports amounted to € 40.5 bn. They were led by fuel and mining products

and chemicals. EU exports reached €73 billion and were concentrated in machinery and transport equipment, chemicals, and agricultural and raw materials (see Figure 1.9).

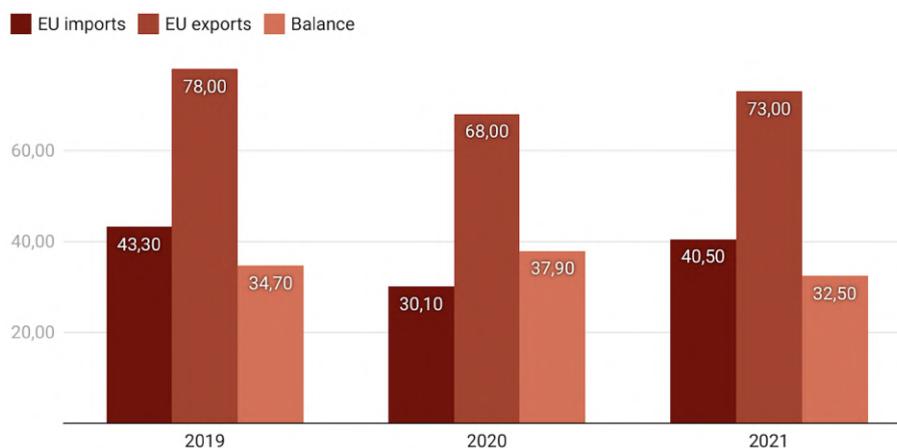


Figure 1.9: Bilateral trade EU -GCC (2019-2021)

Source: European Commission <https://policy.trade.ec.europa.eu/>

The European Union and the addressed markets have a significant trade relationship. In 2021, the Saudi's Arabia export to EU amounted €6.3 billion being Belgium its main customer followed by Spain and Italy (see Figure 1.10). Netherlands, Spain and Italy are the largest importers from Bahrain accounting for over 70% of Bahrain's exports (see Figure 1.11).

The EU is one of Israel's largest trading partners, with significant exports from Israel to the EU. In 2021, Israel exported goods worth €11.9 billion to the EU, making it the third-largest destination for Israeli exports, after the United States and China. As shown in Figure 1.12, the main EU customer countries were Netherlands, Belgium and Germany. Jordan exported goods to EU amounted €0.3 billion in 2021, being the top customers Belgium, Netherlands, and Italy (see Figure 1.13).

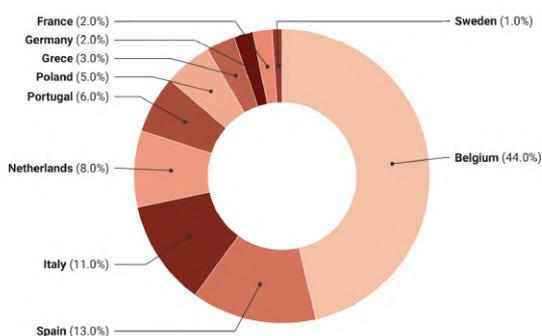


Figure 1.10: Arabia Saudi's main EU customers
Source: Trademap (International Trade Centre 2023)

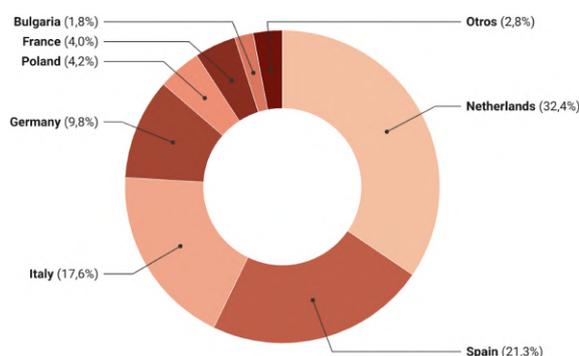


Figure 1.11: Bahrain's main EU customers
Source: Trademap (International Trade Centre 2023)

The top three EU countries importing from Kuwait in 2021 were Portugal, Belgium and Netherlands (see Figure 1.14). For the State of Palestine, the bilateral trade with EU accounts €14 million and being the main EU customers Germany, Netherlands, and France as shown in (see Figure 1.15).

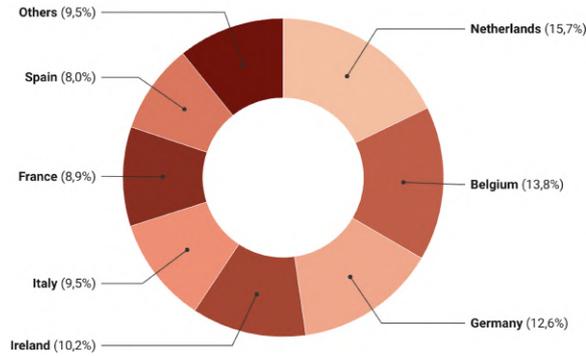


Figure 1.12: Israel's main EU customers
Source: Trademap (International Trade Centre 2023)

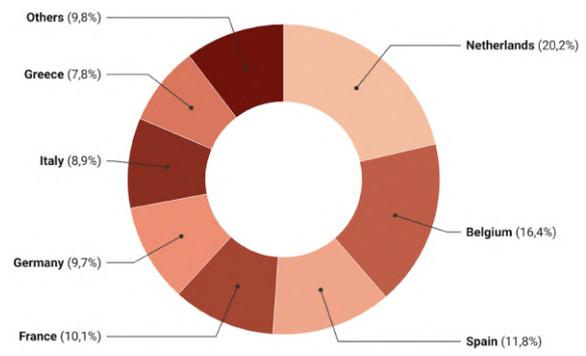


Figure 1.13: Jordan's main EU customers
Source: Trademap (International Trade Centre 2023)

With more than 6.6 billion of exports to EU Qatar main EU's customers were Germany and Italy (see Figure 1.16). Finally, the UAE is one of EU's largest trading partners in the Gulf region. In 2021 the UAE's total exports to the EU amounted to €13.7 billion mainly to Belgium, Netherlands and Italy (see Figure 1.17).

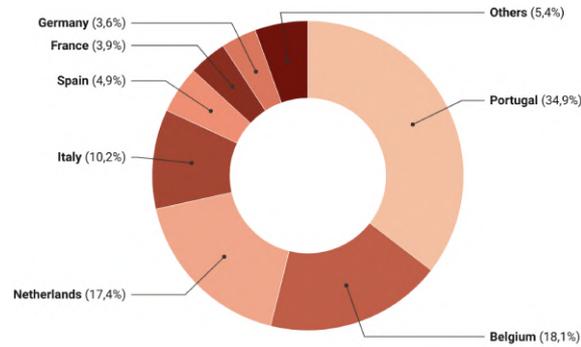


Figure 1.14: Kuwait's main EU customers
Source: Trademap (International Trade Centre 2023)

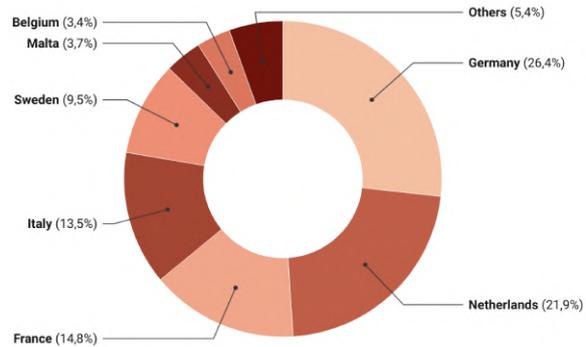


Figure 1.15: Palestine's main EU customers
Source: Trademap (International Trade Centre 2023)

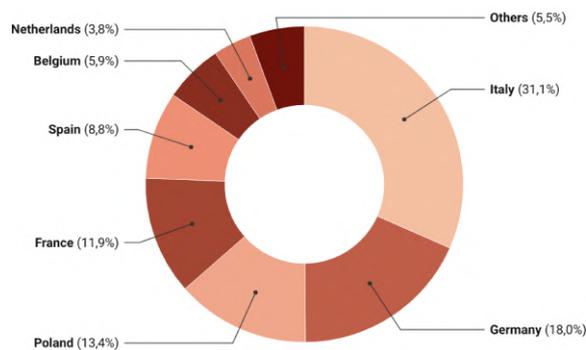


Figure 1.16: Qatar's main EU customers
Source: Trademap (International Trade Centre 2023)

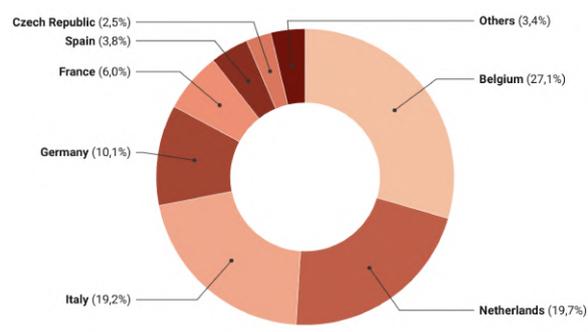


Figure 1.17: United Arab Emirates's main EU customers
Source: Trademap (International Trade Centre 2023)

1.2.2 Product diversification on exports from EU to Middle East

According to Export Potential Map the products with greatest export potential from EU & West Europe to Middle East in 2021 were Motor vehicles for the transport of persons, Medicaments consisting of mixed or unmixed products, for retail sale, and Gold, unwrought, for non-monetary purposes, and Motor vehicles for the transport of persons. Figure 1.18 shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth \$17 bn.

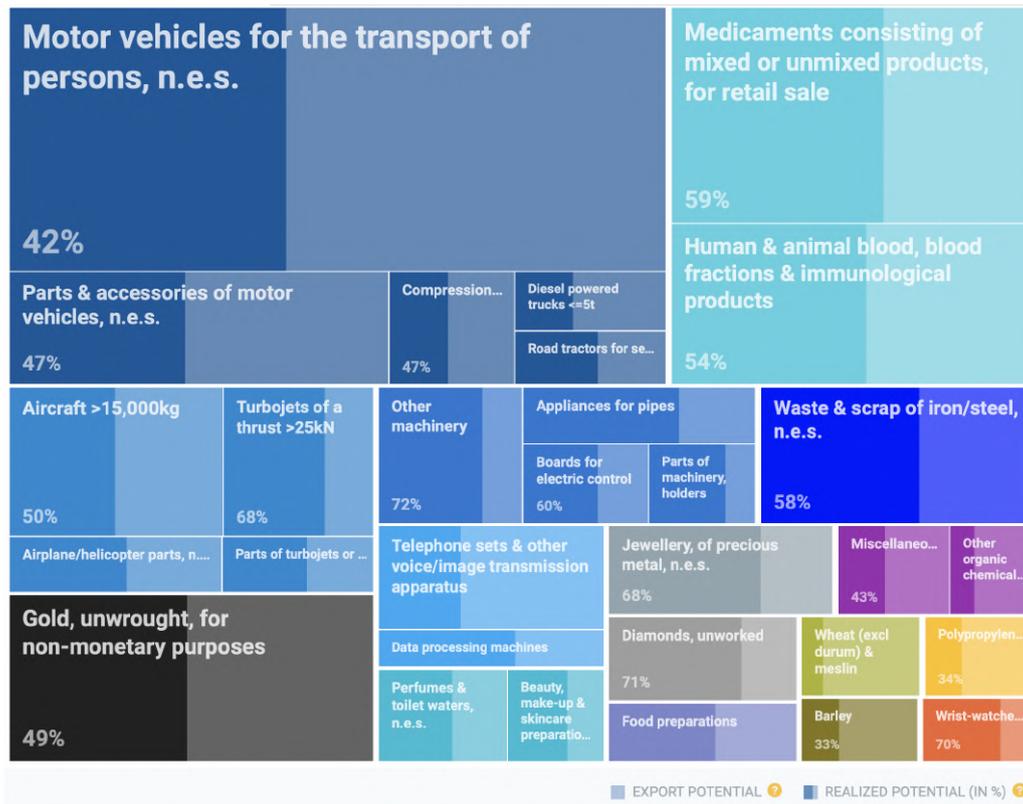


Figure 1.18: Export Potential from EU to Middle East

Source: ITC: Export Potential Map <https://exportpotential.intracen.org/en/>

1.3 Legislation and Regulation

1.3.1 International agreements

Other International agreements the countries in the region have signed are:

- **World Trade Organization (WTO)**. the only global international organization dealing with the rules of trade between nations. At its heart are the WTO agreements, negotiated and signed by the bulk of the world's trading nations and ratified in their parliaments. The goal is to ensure that trade flows as smoothly, predictably and freely as possible.
- **World Customs Organization (WCO)**. established in 1952 as the Customs Co-operation Council (CCC) is an independent intergovernmental body whose mission is to enhance the effectiveness and efficiency of Customs administrations.

Today, the WCO represents 185 Customs administrations across the globe that collectively process approximately 98% of world trade. As the global centre of Customs expertise, the WCO is the only international organization with competence in Customs matters and can rightly call itself the voice of the international Customs community.

- **Gulf Cooperation Council. (GCC)**

Objectives of the institution.

- To effect coordination, integration, and interconnection between member states in all fields in order to achieve unity between them.
 - To deepen and strengthen relations, links, and areas of cooperation now prevailing between their peoples in various fields.
 - To formulate similar regulations in various fields including the following:
 - * Economic and financial affairs.
 - * Commerce, customs, and communications.
 - * Education and culture.
 - * Social and health affairs.
 - * Information and tourism.
 - * Legislative and administrative affairs.
 - To stimulate scientific and technological progress in the fields of industry, mining, agriculture, water, and animal resources: to establish scientific research: to establish joint ventures, and encourage cooperation by the private sector for the good of their peoples.
- **League of Arab States (LAS)**- It aims to be a regional organization of Arab states with a focus to developing the economy, resolving disputes, and coordinating political aims.

- **Union for the Mediterranean (UfM)**. It is an intergovernmental institution bringing together 43 countries to promote dialogue and cooperation in the Euro-Mediterranean region.
- **The Organization of Islamic Cooperation (OIC)** is the second largest organization after the United Nations with a membership of 57 states spread over four continents. The Organization is the collective voice of the Muslim world. It endeavours to safeguard and protect the interests of the Muslim world in the spirit of promoting international peace and harmony among various people of the world.

The importance of the trade agreement between the GCC countries means for EU that when negotiating with one of the countries it is easy for goods to be moved later within the entire free trade agreement area.

- **Israel** has signed **Free Trade Agreements** with:
 - United States: since 1985.
 - European Free Trade Association (Iceland, Liechtenstein, Norway, and Switzerland): since 1992.
 - Jordan: since 1995.
 - European Union: since 1995.
 - Turkey: since 1996.
 - Mexico: since 2000.
 - Mercosur (Argentina, Brazil, Paraguay, Uruguay, and Venezuela): since 2007.
 - Colombia: since 2013.
 - Panama: since 2018.
 - Ukraine: since 2019.
 - United Kingdom: since 2019.
 - South Korea: since 2021 (not yet in force).
 - United Arab Emirates: Since 2022 (also not yet in force).

Table 1.10: Institutions and year of membership

| | HS Agreement | Kioto Agreement | WCO | WTO | GCC | LAS | UFM | OIC |
|--|--------------|-----------------|------|------|------|------|------|------|
|  BAHRAIN | 1995 | 1997 | 2001 | 1995 | 1981 | 1971 | - | 1972 |
|  ISRAEL | 1988 | - | 1958 | 1995 | - | - | 1995 | - |
|  JORDAN | 2000 | 1997 | 1964 | 2000 | - | 1944 | 1995 | 1969 |
|  KUWAIT | 1995 | 1997 | 1993 | 1995 | 1981 | 1961 | - | 1969 |
|  PALESTINE | 2015 | - | 2015 | - | - | 1976 | 1995 | 1969 |
|  QATAR | 1996 | 1997 | 1992 | 1996 | 1981 | 1971 | - | 1922 |
|  SAUDI ARABIA | 1988 | 1997 | 1973 | 2005 | 1981 | 1944 | - | 1969 |
|  UNITED ARAB EMIRATES | 1996 | 1997 | 1979 | 1996 | 1981 | 1971 | - | 1972 |

1.3.2 Legislation and regulations

All eight countries have subscribed to the International Convention on the Harmonized Commodity Description and Coding System, but the rules and regulations for imports standard regulations are different. The EU provides detailed information through [Access2Markets](#) the portal for EU exporters and importers to find detailed information on:

- tariffs
- rules of origin
- taxes and additional duties
- import procedures and formalities
- product requirements
- trade barriers
- trade flow statistics

Considering trade barriers, the most demanding countries are: Israel, Saudi Arabia and United Arab Emirates, being the less demanding countries: Bahrain, Jordan, Kuwait, Palestine, and Qatar.

STANDARDS

Bahrain

The [Bahrain Bureau of Standards and Metrology Directorate \(BSMD\)](#), under the MOIC, is Bahrain's national standards body and information service. The BSMD is responsible for standardization, metrology, conformity, and quality assurance. It prepares, revises, amends and publishes approved technical regulations and conformity assessments, as well as Bahrain's national standards, to meet international demands for product quality, design, performance, quality assurance, and environmental impact, and recommendations to other foreign countries and the region international organization (Arab and Gulf States).

The BSMD regulation affecting the products under this report: Cement requires conformity prior to approval, with the physical, chemical, and mechanical requirements of the Ministry of Public Works.

Israel

The [Standards Institution of Israel \(SII\)](#) is in charge of regulations regarding product quality standards, approvals, packaging, labelling, etc., hence the importance of checking that all legal and regulatory requirements are met before starting the export activity.

Jordan

[Jordan Standards and Metrology Organization](#). Some controls in construction items may apply.

Palestine

For more information, see the [Palestinian Standards Institute -PSI](#)

Saudi Arabia

All shipments of imported consumer goods must be accompanied by a "certificate of conformity for commodities to be exported to the Kingdom of Saudi Arabia", or may be randomly sampled at the port of entry for laboratory testing to verify conformity prior to customs clearance. The certificate of conformity may be issued by an accredited certification body or an accredited third-party laboratory. Saudi Arabia recognizes certification bodies accredited by the accreditation body of the exporting country, provided that the accreditation body is a member of the International Accreditation Forum (IAF), and accepts certificates issued by these bodies.

The texts of the technical regulations, standards, and conformity assessment procedures already approved by the SASO Board of Directors can be consulted in the SASO Information Center. To find out which technical standards are required in Saudi Arabia for a specific product, the SASO database, in Arabic or English, should be consulted.

LABELLING

Product labelling regulations in **Bahrain, Kuwait, Qatar, Saudi Arabia and United Arab Emirates** are a transposition of the common regulations for all Gulf Cooperation Council (GCC) countries. The labelling rules are particularly strict in the case of food, medicine, and personal hygiene products. In both cases, Arabic is required to be used on the label. In the event that Arabic is not included on the package or packaging, a sticker is allowed to be placed externally, which must provide sufficient information about the product. The basic information required is:

- Name of the product
- Country of origin

- Packaging number
- Manufacturer's address
- Distributor's address

Apart from foodstuffs, packaging may be in English without this being a problem for its marketing. Along with foodstuffs, medicines, cosmetic products, and chemical products for household or industrial use must have instructions in Arabic in order to be marketed and sold to the public.

Some additional specific requirements to remark in the special cases of should apply here following some of the main considerations.

Israel

Exporters should consult with their Israeli importer prior to shipping any product that will be offered to the local market. All imports into Israel must have a label indicating:

- the country of origin,
- the name and address of the producer,
- the name and address of the Israeli importer,
- the contents,
- the weight or volume in metric units.

In all instances, Hebrew must be used; English may be added provided the printed letters are no larger than those in Hebrew.

Marking should be done by printing, engraving, stamping, or any other means, on the package or the goods themselves. If marking is not possible, a label should be well sewn or stuck to the goods or package. Marking details should be clear, legible and in a different colour from the background to be clearly distinguishable. Printing dyes and other marking materials should not affect merchandise quality. The marking should not be blurred. On a multi-layered package, the external layer should be marked. If the external layer is transparent the marking should be done underneath that layer, provided it is still clear and legible. On a package containing subpackages, the labelling should specify the number of such subpackages, the net content of a subpackage, and the overall net weight of the package.

Palestine

Labelling requirements in the Palestinian Authority areas Labels in Arabic with the following details are required.

- Name of product
- Trademark (if any)
- Grade of product

- Name of importer and the importer's address
- Place of origin, the name and address of the manufacturing company
- Date of production and date of expiration
- List of ingredients that make up the product
- Storage directions
- Quantity in numbers, length or area as applicable

Saudi Arabia

Packaging and packing standards are set by the Saudi Arabian Standards Organization (SASO). The Ministry of Commerce and Industry is the agency responsible for compliance with SASO standards through inspections at ports of entry into Saudi Arabia.

Labelling requires information such as product name, country of origin, producer's name and address, production and expiration date, in Arabic and English. Imported products at least require labelling in English and all imported goods, as well as transport documents, must show the unit of measure and weight. It is mandatory that all products bear the "Made In" origin marking. A small number of products labelled in English only may be authorized on a case-by-case basis for test marketing purposes.

As far as labelling is concerned, it is advisable to confirm any specific requirements for each product, either with the local import partner or through the information provided by the EU tool. [Access2Markets](#).

1.3.3 Import Documents and procedures

The fact of being all the countries members of WTO requires a transparent and predictable certificate system for imports. We are going to highlight the countries with special requirements for imports in the topics of this report:

Israel

There are barriers to the import of some textile products that do not meet kosher requirements.

Palestine - Judea and Samaria

[The Civil Administration's Trade and Industry office in Israel](#) is responsible for coordination with the Palestinian Authority in all matters related to the field of import, foreign trade, the movement of merchants and the promotion of economic activities in Areas C, with the aim of supporting and developing the region's economy.

The office coordinates its activities with the Standards Institution of Israel as well as the Palestinian Authority's standards institution, as part of the process of approving the

standardization of products. In 2016, the Trade and Industry office trained Palestinian importers and exporters at the Standards Institution of Israel in order to reduce waiting times at ports and streamline the process of releasing merchandise.

The office is also responsible for examining applications for bringing dual-use items into the Palestinian Authority and inspecting goods that are transported to Judea and Samaria.

Additionally, the office is responsible for issuing licenses for the operation of Israeli and Palestinian quarries, supervising them, and coordinating the export of merchandise with the appropriate Civil Administration agencies. The office also works to approve and promote new factories and industrial zones in Area C. Prominent industrial zones include the Japanese industrial zone in Jericho, and the industrial zones currently being established in Jenin and Qalqilya. These industrial zones provide both income and services to the local population, as well as contribute to the development and welfare of the entire region.

Saudi Arabia

The local body responsible for approval and certification in Saudi Arabia is the [Saudi Arabian Standards Organization \(SASO\)](#).

As the competent authority, SASO has decided to enhance the Saudi Product Safety Program (SALEEM) by launching the SABER24 platform for online Certification of exports to Saudi Arabia. SASO classifies products into low, medium and high risk and establishes 3 scenarios:

1. Low risk products: there is no Technical Regulation, they only require Declaration of Conformity from the exporter, to demonstrate compliance.
2. Medium risk products: subject to Technical Regulation, which a SASO-approved certifying body must verify in accordance with ISO 7.065 certification schemes and issue an annual PCoC and a SCoC for each shipment.
3. High-risk products, must obtain special SASO certification, which involves specific labelling on products and their packaging.

Through the [SABER platform](#), all importers and local producers have to register all products to be distributed in Saudi Arabia. The reference to the mandatory technical regulations can be found on the platform's website. Since January 1, 2020, it is mandatory to process exports on the [SABER platform](#), for products:

- Regulated (covered by a Technical Regulation published by [SASO](#)).
- Non-regulated (low-risk products, without Technical Regulation).

The existence of a technical regulation for a specific tariff code implies the issuance of a certificate of conformity (**PCoC**) and a certificate of shipment (**SCoC**), in addition to the possible requirement of an additional certificate or specific **SASO LABEL** for all those products considered "high risk".

To find out whether a product is affected by any technical regulation, the following steps can be followed:

- The exporter should consult the Saudi tariff code that applies to the product.
- Once the tariff code is known, it is entered into the HS Code tool of the SABER platform.
- If there is a technical regulation, the necessary and mandatory certificate to be submitted will be mentioned.
- If there is no technical regulation, the exporter's declaration of Conformity, which must be provided to the importer, will suffice.

Important to revise depending on the type of products other import controls and measures:

Wild animals. It is applicable when introducing certain types of hides and skins (or derived products) requiring quarantine. A certificate of inspection must be issued by a relevant government agency of the exporting country.

Foreign Exchange and Foreign Trade Act. Products made from wild flora or fauna follow regulations under the Convention on International Trade in Endangered Species, and require a certification of origin issued by an official government agency of the exporting country, as well as an authorization issued by the local Ministry of Economy, Trade and Industry proving that the product is not prohibited. A CITES certificate as well as a certificate of origin will be required at customs. For both documents the original is required. Detailed and up-to-date information can be obtained through the following links.

Act on Conservation of Endangered Species of Wild Fauna and Flora. Prohibits the sale or delivery of fur, leather or products derived from protected animals.

Wild Life Protection and Proper Hunting Act. This standard applies to all products made from fur or feathers and involves the issuance of an export certificate or a "legal catch" certificate issued by the government agency of the exporting country.

Act on Specified Commercial Transactions. The sale of "specified products, rights or services" to consumers through specified commercial transactions (transactions of Door-to-Door Sales, Mail Order Sales, and Telemarketing Sales, Multilevel Marketing Transactions, transactions of Specified Continuous Service Offers, and Business Opportunity Related Sales Transactions) is regulated under this law.

For sales via email, it is mandatory to list prices, period and method of payment, delivery date, return policy, as well as contact details of the seller. In addition, advertisements that are false or contain exaggerated statements are prohibited.

Other specific trading barriers to have into consideration when doing business with the countries of reference are listed below.

Table 1.11: Specific trading barriers

| Country | Special requirements on construction products |
|--|--|
|  BAHRAIN | Customs Release Certificate for Goods Subject to Conformity Measures |
| | Certificate of Conformity |
| | Declaration of Conformity |
|  ISRAEL | None |
|  JORDANIA | Mineral Resource Analysis Certificate |
|  KUWAIT | Registration with Tabek |
| | Customs Release Certificate for Goods Subject to Conformity Measures |
| | Certificate of Conformity |
| | Declaration of Conformity |
| | Technical Evaluation Repor |
|  PALESTINA | Import Licence |
|  QATAR | None |
|  SAUDI ARABIA | Manufacturer's Declaration |
| | SCoC (SALEM) |
| | Product Certificate of Conformity (PCoC) |
| | SABER Registration |
|  UNITED ARAB EMIRATES | Registration with the Customs Authorities |
| | Commercial Registration and Trade Licence |

1.3.4 Intellectual property regulations

Bahrain, Israel, Jordan, Kuwait, Qatar, Saudi Arabia, and United Arab Emirates are all countries belonging to the World Intellectual Property Organization (WIPO). Palestine is not member as the country with its special situation doesn't accomplish the three conditions to become a member (member of the Paris Union or the Berne Union for the Protection of Industrial Property, member of the United Nations or any of their Specialized Agencies and being invited by WIPO General Assembly)

Also, the signing of the different WIPO Conventions to protect brands, patents or design has been uneven about the different countries.

Table 1.12: Specific Intellectual Property Regulations

| | OMPI Members | Madrid – The International Trademark System | PCT- The International Patent System | Hague – The International Design System |
|--|-----------------|---|--|---|
|  BAHRAIN | 1995 | 2005 | 2007 | - |
|  ISRAEL | 1970 | 2010 | 1996 | 2020 |
|  JORDANIA | 1972 | - | 2017 | - |
|  KUWAIT | 1998 | - | 2016 | - |
|  PALESTINA | - | - | - | - |
|  QATAR | 1976 | - | 2011 | - |
|  SAUDI ARABIA | 1982 | - | 2013 | - |
|  UNITED ARAB EMIRATES | 1974 | 2021 | 1999 | - |

According to the [Table 1.12](#) the protections of Patents, Utility Models, Design and Trademarks can be done through the international and domestic itinerary or only the domestic one.

In Bahrain, Israel, United Arab Emirates patents, Utility Models, Design and Trademarks can be protected through the two options: following the international itinerary or the domestic one. The International itinerary being conducted through [Wipo – World Intellectual Property Organization](#). While when protecting in Jordan, Qatar, Kuwait and Saudi Arabia will depends on the agreements signed to register internationally or domestic. In the special case of Palestine any protection should be handled in the domestic Intellectual Property offices.

It will depend on the situation of previous protections when a company approach the markets to define the best strategy to be followed in regards what to protect and how to protect.

Beforehand it is always essential to perform a research of what has already been protected in the market country of interest and, as a second step, and to have an effective protection of our trademark, patents, utility Models or designs it is advisable to look for the advice of specialist.

When appointing a representative in the country, appoint a legal representative related to the registering process. It is not advisable to appoint distributors or other commercial

partners. Companies must ensure that the ownership of any registration remains directly with themselves. The representative is referred to as a "Patent Administrator".

Here below is a guide of the relevant information for each of the cases and links to the complete sources' details.

INTERNATIONAL ITINERARY

Protecting a brand

This itinerary could be followed only by Bahrain, Israel and United Arab Emirates.

First step would be to check if a brand is already registered in the country of interest. The EUIPO has an on-line database where everybody can check trademarks registered across the European Union and beyond. With [TM view facility](#) the registered brand names can be checked not only by denomination but also by graphics. Local patent and intellectual offices in these countries but depending on the country is more or less accessible so if you pretend to apply directly the best advice is to work with a reliable local partner.

After checking, if still want to protect a brand in the country, it can be registered through **World Intellectual Property Organization (WIPO)**, a self-funding agency of the United Nations, with 193 member states and the global forum for intellectual property (IP) services, policy, information, and cooperation.

As all the UE countries are also subscribers of WIPO agreement, registering a trademark can be done according to the Madrid System. It is a cost-effective solution for registering and managing trademarks worldwide.

Relevant information:

- **Address of the person or company.** It is essential to be domiciled, have an industrial or commercial establishment in, or be a citizen of one of the 125 countries covered by the Madrid Systems.
- **The cost** of an international trademark registration includes the basic fee (653 Swiss francs; or 903 Swiss francs for a mark in colour), plus additional costs depending on where you want to protect your mark, and how many types of goods and services will be covered by your registration (based on actual fees). For example for protecting a colour brand in three categories the additional fees for the countries referred will be the following:
 - Bahrain 903 + 5.130 = 6.033 Swiss francs
 - Israel 903+1.182 =2.085 Swiss francs
 - United Arab Emirates 903 + 4.890 = 5.793 Swiss francs

- **Advantages of the system:** File a single application and pay one set of fees to apply for protection in up to 125 countries. Modify, renew or expand your global trademark portfolio through one centralized system.
- **Procedure:** Register procedures can be done at WIPO IP SITE: Easy access to all online IP Services.
- **Duration of the protection:** The term of trademark registration can vary but is usually ten years. It can be renewed indefinitely on payment of additional fees. Trademark rights are private rights and protection is enforced through court orders.

If you are considering accessing these markets, you should bear in mind that the economies of all of them are interrelated. It is common to find a business partner in the USA who in turn has sales in Qatar or Kuwait. It would therefore be advisable when approaching these markets to consider them together.

Patents

In this case Bahrain, Israel, Jordan, Kuwait, Qatar, Saudi Arabia and United Arab Emirates so as the EU countries are signers of the Paris Convention 178 Contracting Parties and the PCT Patent Cooperation Treaty. 154 Contracting States Patents are territorially limited. In order to protect your invention in multiple countries you have a few options:

- **Direct or Paris route:** you can directly file separate patent applications at the same time in all of the countries in which you would like to protect your invention, then file separate patent applications in other Paris Convention countries within 12 months from the filing date of that first patent application, giving you the benefit in all those countries of claiming the filing date of the first.
- **PCT route:** you can file an application under the PCT, directly or within the 12-month period provided for by the Paris Convention from the filing date of a first application, which has legal effect in all Contracting States of the PCT.

Protection of designs

The Hague System for the International Registration of Industrial Designs provides a practical business solution for registering up to 100 designs in 75 contracting parties covering 92 countries, through the filing of a single international application. To apply to the Hague System, the company has to be member of one of the contracting parties, EU is Hague System contracting parties but from the countries under this study only Israel is also member.

International design applications are subject to the payment of three types of fees, all payable in Swiss francs:

1. **A basic fee** (397 Swiss francs for one design; 19 Swiss francs for each additional design included in the same application);
2. **A publication fee** (17 Swiss francs for each reproduction; 150 Swiss francs for each page on which one or more reproductions are shown); and
3. **A standard designation fee or an individual designation fee** for each contracting party where protection is sought.

DOMESTIC ITINERARY

Directly in each one of the countries Patent offices. It is important to know:

Representative: If you do not have a permanent address or residence (office, if the applicant is a legal entity) in the countries, a legal representative (such as a patent attorney) with a permanent address or residence in the countries must be appointed as a "Patent Administrator".

Forms: on-line can be found the forms and application samples in most of the countries.

Language: You can initially file the description, claims, drawings and abstract attached to your application form in any language. However, if you do so, you will need to submit translations of those documents within one year and four months from the earlier of the following two dates: (1) the filing date or (2) the priority date (if applicable).

Costs and fees - You should confirm in each country and we will have the representative expenses so as all the legalization and translations required.

1.3.5 Intellectual Property Arbitration

If products manufactured under the use of a patented technology are distributed around the world, multiple patent disputes might arise simultaneously in many countries. As international arbitration rules, the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York Convention) was established to make foreign arbitral awards enforceable within the confines of the country. Having been signed by more than 150 countries, the Convention contributes to efficient dispute settlement by arbitration in any of those countries.

Alternative Dispute Resolution (ADR)

The WIPO Arbitration and Mediation Center offers time and cost-efficient ADR options, such as mediation, arbitration, expedited arbitration, and expert determination to enable private parties to settle their domestic or cross-border commercial disputes.

The WIPO Center is international and specialized in IP and technology disputes. The WIPO Center is also the global leader in the provision of domain name dispute resolution services under the WIPO-designed UDRP

WIPO ADR is specialized, flexible and confidential. Its consensual nature often results in a less adversarial process, allowing the parties to begin, continue, or enhance profitable business relationships with each other. If well managed, ADR can save time and money. WIPO ADR options have been used by large-sized companies, SMEs and startups across industries and sectors, artists and inventors, R&D centres, universities, producers and collecting societies. Read more on the WIPO case experience.

The WIPO Center provides recommended ADR contract clauses to facilitate party agreement to refer a dispute to WIPO ADR. The WIPO Center also makes available the [WIPO Clause Generator](#). Available in Arabic, French, German, Greek, Italian, Portuguese, Polish, Spanish and Japanese among others.

The WIPO Center makes available procedural information and filing guidelines for WIPO Mediation, Arbitration and Expert Determination options. The WIPO Center also provides Good Offices services. If you are involved in a domain name dispute, you can visit WIPO's domain name dispute resolution services website.

In a highly specialized field such as intellectual property, the appointment of an intellectual property expert as an arbitrator would be the key to efficient dispute settlement in some cases.

Relevant contact offices

| | |
|-------------------------------|--|
| Competent administration | WIPO World Intellectual Property Organization Headquarters |
| <i>Web site address</i> | https://www3.wipo.int/contact/en/ World Intellectual Property Organization |
| <i>Address</i> | 34, chemin des Colombettes CH-1211 Geneva 20, Switzerland |
| <i>Telephone</i> | +41 22 338 9111 |
| <i>Telefax</i> | +41 22 733 5428 |
| Competent administration | Bahrain Copyright Office (JCO) Ministry of Information Affairs Directorate of Media Administration |
| <i>Web site address</i> | http://www.mia.gov.bh/en/ P.O. Box 253 |
| <i>Address</i> | Manama Kingdom of Bahrain |
| <i>Telephone</i> | (973) 173 72 872 |
| <i>Telefax</i> | (973) 173 72 220 |
| <i>E-mail address</i> | yousif@info.gov.bh dma@info.gov.bh |
| <i>Title and name of head</i> | Director General : Mr. Yousif Mohamed Ismail |
| Competent administration | Bahrain Directorate of Foreign Trade and IP Ministry of Industry, Commerce and Tourism |
| <i>Web site address</i> | http://www.moic.gov.bh/en/Pages/default.aspx |
| <i>Address</i> | P.O. Box 5479 Manama Kingdom of Bahrain |
| <i>Telephone</i> | (+973) 1 757 4858 |
| <i>Telefax</i> | (+973) 1 757 36479 |
| <i>E-mail address</i> | ip@moic.gov.bh |
| <i>Title and name of head</i> | Director of Foreign Trade : Rana Ahmed Alahmed Chief of Trademark Office: Mr. Shatha Sharif Al-Sayed |
| Competent administration | Israel Copyright Office Ministry of Justice |
| <i>Web site address</i> | https://www.gov.il/en/departments/ministry_of_justice/ 29 Salah a-Din Street |
| <i>Address</i> | 9149001 Jerusalem P.O.Box. 49049 Jerusalem 9149001 |
| <i>Telephone</i> | (972) 73 392 6822 |
| <i>Telefax</i> | (972) 2 646 7002 |
| <i>E-mail address</i> | mancal@justice.gov.il |
| <i>Title and name of head</i> | Director General : Mr. Sigal Yakobi |

| | |
|-------------------------------|---|
| Competent administration | Israel Directorate of Foreign Trade and IP Ministry of Industry, Commerce and Tourism |
| <i>Web site address</i> | https://www.gov.il/en/departments/ilpo Malcha Technology Park, Bldg. 5 1 |
| <i>Address</i> | Agudat Sport Hapoel st Jerusalem 9695101 |
| <i>Telephone</i> | (+972-73) 392 7100 |
| <i>Telefax</i> | (+972-733) 392 7314 |
| <i>E-mail address</i> | pctoffice@justice.gov.il patent@justice.gov.il |
| <i>Title and name of head</i> | Director of the Israel Patent Office: Mr. Ofir Alon |
| Competent administration | Jordan Copyright Offices Department of the National Library |
| <i>Web site address</i> | https://www.nl.gov.jo 9 Hroun Al-Rashid St. |
| <i>Address</i> | Arjan P.O. Box 6070 Amman 11118 |
| <i>Telephone</i> | (9626) 566 27 85 (9626) 566 28 45 |
| <i>Telefax</i> | (9626) 566 28 65 |
| <i>E-mail address</i> | director.g@nl.gov.jo nl@nl.gov.jo enaam.mutawe@nl.gov.jo |
| <i>Title and name of head</i> | Director General : Dr. Nedal Ibrahim Al Ahmadl Director of PR and Media: MS. Ena'am Yousef Mutawe |
| Competent administration | Jordan IP Protection Directorate |
| <i>Web site address</i> | Ministry of Industry, Trade and Supply http://www.mit.gov.jo http://ippd.mit.gov.jo El-Difah El Madani Street |
| <i>Address</i> | Amman Hashemite Kingdom of Jordan |
| <i>Telephone</i> | (962) 777 41 33 17 (9626) 562 90 30 |
| <i>Telefax</i> | (9626) 568 23 311 |
| <i>E-mail address</i> | Zain.a@mit.gov.jo Zain.Alawamleh@mit.gov.jo info@mit.gov.jo |
| <i>Title and name of head</i> | Director: Ms. Zain Al Awamleh |
| Competent administration | Kuwait Copyright Office National Library of Kuwait |
| <i>Address</i> | P.O Box 26182 Safat Zip code 13122, Kuwait |
| <i>Telephone</i> | (965) 229 298 68 |
| <i>Telefax</i> | (965) 2241 5195 |
| <i>E-mail address</i> | yousif@info.gov.bh rasha.alsabah@nlk.gov.kw |
| <i>Title and name of head</i> | Director General : Ms. Rasha Al-Sabah |

| | |
|-------------------------------|--|
| Competent administration | Kuwait IP Offices Ministry of Commerce and Industry Trademarks and Patents Department |
| <i>Web site address</i> | https://moci.gov.kw/en/ |
| <i>Address</i> | P.O. Box 2944 Safat 13030 Kuwait City |
| <i>Telephone</i> | (965) 66 62 36 63 |
| <i>Telefax</i> | (965) 22 94 33 53 |
| <i>E-mail address</i> | fahadbager@hotmail.com mansouralnzhn@gmail.com patent.department@moci.gov.kw eng_rashid7755@hotmail.com |
| <i>Title and name of head</i> | Director of Trade Marks and Patents Department: Mr. Mansour Alnzhn Head, Intellectual Property Rights Division: Mr. Fahad Bager |
| Competent administration | Palestine IP Office Business Innovation and Technolog Hub at An-Najah National University |
| <i>Web site address</i> | http://trademarks.mne.gov.ps/?lang=ar |
| <i>Address</i> | 2Ministries Complex Academy Street, Nablus Palestine |
| <i>Telephone</i> | (+970) 923 451 13 |
| <i>Telefax</i> | (+970) 923 459 82 |
| <i>E-mail address</i> | ngate@najah.edu suheirsa@najah.edu |
| Competent administration | Qatar Copyright Offices Intellectual Property Department Ministry of Commerce and Industry |
| <i>Address</i> | Lussail City P.O. Box 1968 Doha; Qatar |
| <i>Telephone</i> | (974) 4012 26 23 (CR) |
| <i>Telefax</i> | (974) 4494 43 38 (CR) |
| <i>E-mail address</i> | ajaalkuwari@moci.gov.qa eaalromaihi@MEC.GOV.QA |
| <i>Title and name of head</i> | Director of IP Protection Department: Mrs. Amna Jaber Al-Kuwari Head of Copyright Office: Dr. Ebrahim Majed H A Alromaihi |
| Competent administration | Qatar Patents and Integrated Circuits Intellectual Property Department Ministry of Commerce and Industry |
| <i>Address</i> | Lussail City P.O. Box 1968 Doha; Qatar |
| <i>Telephone</i> | (974) 4012 27 96 (974) 4012 28 66 |
| <i>Telefax</i> | (974) 4429 43 38 |
| <i>E-mail address</i> | ajaalkuwari@moci.gov.qa amalsaadi@moci.gov.qa |
| <i>Title and name of head</i> | Director of IP Protection Department: Mrs. Amna Jaber Al-Kuwari Head of Patent Office: Mr. Ahmed al Saady |

Competent administration **Saudi Intellectual Property Offices)**
Saudi Authority for Intellectual Property (SAIP)
Ministry of Economy

Address As Sahafah, Olaya St. 6531, 3059
Riyadh 13321
Saudi Arabia

Telephone (966-11) 280 12 21

Telefax (966-11) 280 59 76

E-mail address saip@saip.gov.sa

Title and name of head CEO Intellectual Property Office:
Dr. Abdulaziz Al-Swailem

Competent administration **United Arab Emirates IP Offices**
International Center for Patent Registration
Ministry of Economy

Web site address <http://www.economy.ae>

Address P.O. Box 3625
Sheikh Khalifa Bin Saeed Street
Dubai
P.O. Box 901
Abu Dhabi

Telephone (971 4) 14 15 81
(971 4)14 15 60

Telefax (971 4) 385 10 77

E-mail address icpr@economy.ae
kalsuwaidi@economy.ae
raalmoalla@economy.ae

Title and name of head Director: Mr. Khalfan Ahmed Al Suwaidi

1.3.6 Commercial taxes

Each country administers through the Customs and Tariffs Directorate of the Ministry of Finance. Being members of the Harmonised System Convention, the tariff nomenclature follows the trade classification system with six-digit identification.

Applied tariff in the countries of reference can vary from the most protective countries like Saudi Arabia with duties that could achieve for certain products 15% until the most open countries like Israel or Jordan that has 0 % taxes with MFN. As EU is within MFN coverage will profit of this low level of tariffs.

The Government of Israel has undertaken reforms that came into effect from June 1, 2022 that abolished the import tariff on textile products and also dropped compliance of local standards, accepting international standards. This is likely to increase the country's imports of home textile products such as tablecloths, carpets and beddings. On the other hand, Saudi Arabia in 2020 increased most of its tariffs from 10% to 12% or 15%.

In addition to tariffs, there is a consumption tax for all goods of the sectors covered by this study, textile, and construction articles, and in any consumer goods. It should be noted that excise taxes are relatively recent in some of these markets, Bahrain introduced consumer taxes in 2018 and the last country in the region to introduce them was Kuwait in 2022.

Table 1.13: Commercial taxes (VAT and Duties) in the addressed markets

| | VAT % | DUTIES |
|--|-------|------------|
|  BAHRAIN | 10% | 5% |
|  ISRAEL | 17% | 0 |
|  JORDAN | 17% | 0 |
|  KUWAIT | 5% | 5% |
|  PALESTINE | 16% | 0% |
|  QATAR | 5% | 5% |
|  SAUDI ARABIA | 15% | 5 % - 15 % |
|  UNITED ARAB EMIRATES | 15% | 5% |

Other taxes: profit taxes, fees, ZAKAT religious tax paid only by workers of the Muslim religion.

2 Markets Trends, Opportunities, and Needs in the Middle East

2.1 Focus Markets: General Overview

We can differentiate between two groups of countries, those countries whose economy depends on income from the extraction and sale of oil: Bahrain, Kuwait, Saudi Arabia, United Arab Emirates, and the countries Jordan, Israel and Palestine, which do not have this natural wealth and therefore their economies are not centered on these sectors.

The first group has ambitious diversification programs in terms of developing other industries that reduce their dependence on oil, sectors around agriculture and food, finance or pharmaceuticals, luxury tourism, as well as the development of technological industries and industries focused on sustainability projects.

In almost all countries, there is a textile industry, even though their industrial structure and contribution to GDP changes from country to country. In general, the majority of textile articles are imported.

In terms of imports, there is a difference between imports of cheaper, higher-volume products and larger volumes from countries such as India and Pakistan or even China, and the import of luxury textiles, which are generally of European origin.

In general, the existence of textile industries producing home textiles is very limited and therefore the trade balance of the home textile sector is in deficit. According to market studies like the [Data Bridge Market Research](#) and [KBVResearch](#) The world home textiles market is expected to reach between \$ 165 USD and 179.87 billion by 2030, registering a year growth rate of 5.20 % during the period of 2023 to 2030.

We are trying to review country-by-country general trends figures.

All the markets in this study are investing heavily in the construction sector, both private and public. Public investments are mainly oriented towards infrastructures aimed at diversifying the industry from its dependence on petrol.

Private investments are mainly oriented toward the residential sector and hotel construction. The largest market in the area is Saudi Arabia, followed by the United Arab Emirates and Israel. But countries such as Bahrain, Kuwait and Qatar are also investing heavily. Jordan and Palestine are at the tail end of the investment, but also have important constructions projects.

Absolutely in each and everyone country, there are relevant construction projects. Related to this construction expansion, will mean all sectors linked to construction are benefiting. As it will be seen in the textile section, one of the main opportunities of growth is in the contract and hospitality sector.

And finally, linked to the construction of agricultural infrastructures and industry diversification, the sectors of technical textiles used in industrial or agricultural processes that require advanced fabrics have opportunities.

2.2 Technical, Sustainable Textile and Home Textiles

The technical textile sector in the European Union is a significant and rapidly growing industry. Technical textiles are textiles that are specifically designed and engineered to perform specific functions beyond traditional clothing and household applications. They are used in a wide range of industries, including automotive, aerospace, medical, construction, and defense (Horrocks and Anand 2000).

In 2020, the EU exported approximately €1.4 billion worth of technical textiles to the Middle East, representing a significant portion of the EU's total technical textile exports. The United Arab Emirates (UAE) is the largest market for EU technical textiles in the Middle East, followed by Saudi Arabia, Qatar, Kuwait, and Oman.

The most commonly exported technical textile products from the EU to the Middle East include geotextiles, filter fabrics, and medical textiles such as surgical gowns and drapes. The EU's technical textile exports to the Middle East are supported by several factors, including the region's growing demand for high-quality technical textiles, the EU's reputation for quality and innovation, and the region's increasing focus on sustainable development and infrastructure.

2.2.1 EU and Middle East textiles trade overview

Technical Fabrics

The group of technical textiles referred as Technical Fabrics include a wide variety of products included in [Table 2.1](#). In 2022, the exports of Technical Fabrics products from EU to the addressed markets were mainly concentrated in **HS 5903 Textile fabrics impregnated, coated, covered or laminated with plastics, other than those of heading no. 5902**, and **HS 501110 Textile fabric, felt and flet-linen woven fabrics, coated/covered/laminated with rubber, leather or other material...** Within the addressed markets Israel, United Emirates, and Saudi Arabia, were the largest markets (see [Figure 2.1](#) and [Figure 2.4](#)).

Table 2.1: HS Codes used for Technical Fabrics
Source: Access2Markets Database

| HS code | Product |
|---------|--|
| 5010 | Textiles; transmission or conveyor belts or belting, of textile material, whether or not impregnated, coated, covered or laminated with plastics, or reinforced with metal or other material |
| 5803 | Gauze (excl. Narrow woven fabrics of heading 5806) |
| 5807 | Labels, badges and similar articles, of textile materials, in the piece, in strips or cut to shape or size, not embroidered |
| 5809 | Woven fabrics of metal thread & metallized yarn Nec |
| 5901 | Textile book cov fab; trac cl; paint canvas etc. |
| 5903 | Textile fabrics impregnated, coated, covered or laminated with plastics, other than those of heading no. 5902 |
| 5907 | Textile fabrics; otherwise impregnated, coated or covered; painted canvas being theatrical scenery, studio back-cloths or the like |
| 5908 | Textile wicks for lamps etc. and gas mantles etc |
| 5909 | Textile hose piping and similar textile tubing |
| 5910 | Transmsn/Convyr belt, Tex mat, whthr/nt reinfcd, ctd |
| 501110 | Textile fabric, felt and flet-linen woven fabrics, coated/covered/laminated with rubber, leather or other material, for card clothing, similar fabrics used for technical purposes, including rubber impregnated narrow velvet fabrics to cover weaving spindles |
| 520811 | Plain woven fabrics of cotton for the manufacture |
| 520821 | Plain woven fabrics of Cotton for the manufacture |
| 531090 | Other woven fabrics of jute or of other textile bast fibres of heading 5303, bleached, dyed, made of yarn of different colours, or printed |
| 540710 | Woven fabrics of High Tenacity yarn, Nylon, other |
| 540810 | Woven fabrics of High Tenacity Viscose yarn, incl |
| 551229 | Woven fabrics containing >= 85% Acrylic or Modacrylic |
| 570250 | Carpets and other floor coverings, of polypropylene, woven, not tufted or flocked, not of pile construction, not made-up (excl. Kelem, Schumacks, Karamanie and similar hand-woven rugs) |
| 630399 | Curtains, incl. drapes, and interior blinds, curtain or bed valances of nonwovens (excl. of cotton and synthetic fibres, awnings and sunblinds) |
| 701932 | Thin sheets "voiles" of irregularly laminated glass fibres |
| 701940 | Woven fabrics of glass fibres made from roving |
| 701951 | Woven fabrics, incl. narrow fabrics, of glass, of a width of <= 30 cm (excl. rovings) |

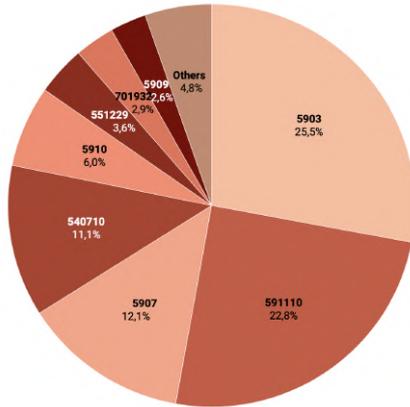


Figure 2.1: Relevance of EU Technical Fabrics exports. Source: ICEX

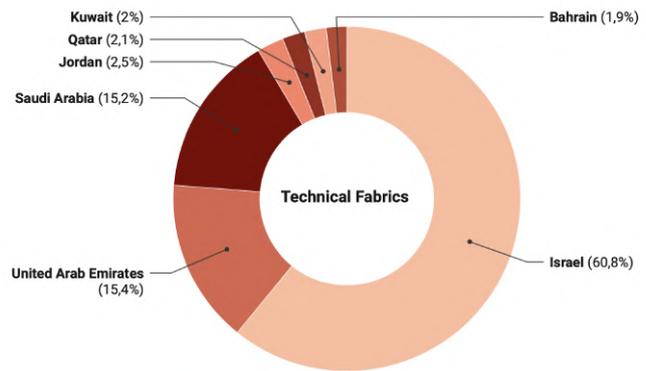


Figure 2.2: Technical Fabrics main EU customers. Source: ICEX

Technical Yarns

The group of technical textiles referred as Technical Yarns include a wide variety of products included in [Table 2.2](#). In 2022, the exports of Technical Yarns products from EU to the addressed markets were mainly concentrated in **HS 701912 Glass fibres; (including glass wool) slivers, yarns and threads**, **HS 540410 Rubbers thread and cord;textile covered**, and **HS 540220 Yarn, synthetic; filament, monofilament (less than 67 decitex), of high tenacity polyesters, weather or not textured, not for retail sale, not sewing thread**. Within the addressed markets, countries such as United Emirates, Saudi Arabia, and Israel are the largest markets for Technical Yarns. (see [Figure 2.3](#) and [Figure 2.4](#)).

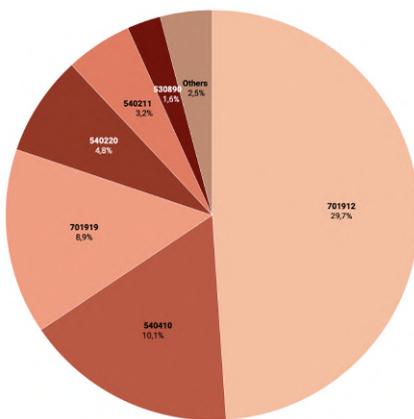


Figure 2.3: Relevance of EU Technical Yarns exports. Source: ICEX

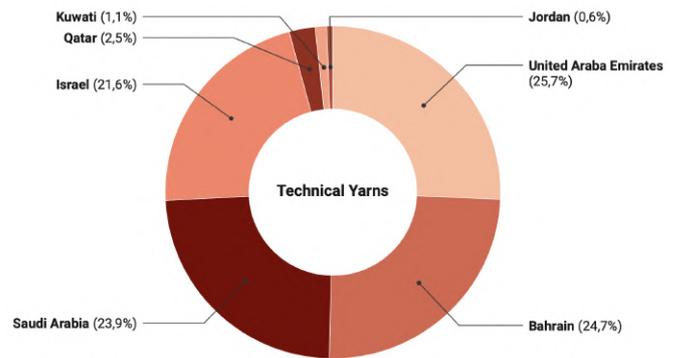


Figure 2.4: Technical Yarns main EU customers. Source: ICEX

Table 2.2: HS Codes used for Technical Yarns
Source: Access2Markets Database

| HS code | Product |
|---------|---|
| 5404 | Synthetic monofilament of 67 decitex or more, of which no cross-sectional dimension exceeds 1mm; strip and the like (e.g. artificial straw) of synthetic textile materials of an apparent width not exceeding 5mm |
| 530710 | Yarn; of jute or of other textile bast fibres, single |
| 530890 | Yarn; of vegetal textile fibres n.e.c. in heading no. 5306, 5307 and 5308 |
| 540211 | Yarn, synthetic; filament, monofilament (less than 67 decitex), of high tenacity nylon or other polyamides, of aramids, not for retail sale not sewing thread |
| 540219 | Yarn, synthetic ;filament,monofilament (less than 67 decitex) of high tenacity nylon or other polyamides, textured or not; other than aramids not for retail sale, not sewing thread |
| 540219 | Yarn, synthetic; filament, monofilament (less than 67 decitex), of high tenacity nylon or other polyamides, other than aramids, not for retail sale not sewing thread |
| 540220 | Yarn, synthetic; filament, monofilament (less than 67 decitex), of high tenacity polyesters, weather or not textured, not for retail sale, not sewing thread |
| 540310 | Yarn, artificial; filament, monofilament (less than 67 decitex), of high tenacity viscose rayon, not for retail sale, not sewing thread |
| 560410 | Rubbers thread and cord;textile covered |
| 560490 | Yarn; textile yarn, strip, and the like of heading n ^o 5404 or 5405, impregnated, coated, covered, or sheathed with rubber or plastics, n.e.c. in heading no. 5604 |
| 681510 | Stone articles and articles of other mineral substances; non electrical articles of graphite or other carbon |
| 701912 | Glass fibres; including glass wool) rovings |
| 701919 | Glass fibres; (including glass wool) slivers, yarns and threds |
| 540120 | Yarn, synthetic; filament, monofilament (less than 67 decitex), of high tenacity polyesters, not for retail sale, not sewing thread |

Technical Fibres

Within the set of Technical Fibres the range of products are listed in Table 2.3. In 2022, exports of Technical Fibres products from within the EU to the addressed markets were primarily destined to Saudi Arabia and Bahrain (see Figure 2.6. The main technical fibre exported to the addressed market in 2022 corresponds to code **HS 550340 Fibres, synthetic staple fibres, of polypropylene, not carded, combed or otherwise processed for spinning** as shown in Figure 2.5.

Table 2.3: HS Codes used for Technical Fibers
Source: Access2Markets Database

| HS code | Product |
|---------|---|
| 550311 | Man-made staple fibres, Synthetic staple fibres, not carded, combed or otherwise processed for spinning, of nylon or other polyamides of aramids |
| 5303 | Jute and other textile bast fibres (not flax, true hemp and ramie) raw or processed but not spunned; tow and waste of these fibres, including yarn waste and garneted stock |
| 550340 | Fibres, synthetic staple fibres, of polypropylene, not carded, combed or otherwise processed for spinning |
| 5305 | Coconut, abaca (>manila hemp or Kusa textiles nee) ramie and other vegetable textile fibres n.e.c., raw or processed but not spun; towed, noils and waste of these fibres (including yarn waste and garneted stock) |
| 550340 | Fibres, synthetic staple fibres, of polypropylene, not carded, combed or otherwise processed for spinning |
| 5305 | Coconut, abaca (manila hemp or Kusa textiles nee) ramie and other vegetable textile fibres n.e.c., raw or processed but not spunt, tow, noils and waste of these fibres (including yarn waste and garneted stock) |
| 550319 | Fibres; synthetic staple fibres, of nylon or other polyamides other than aramids, not carded, combed or otherwise processed for spinning |

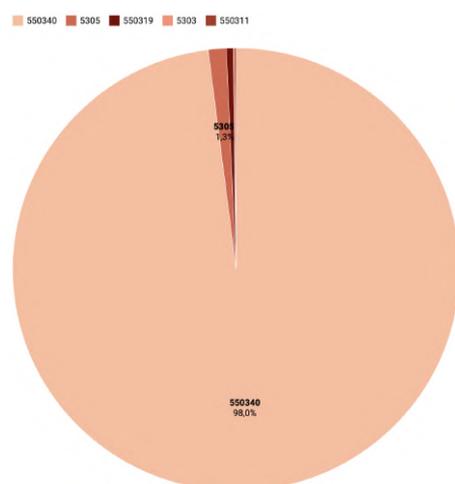


Figure 2.5: Relevance of EU Technical Fibers exports. Source: ICEX

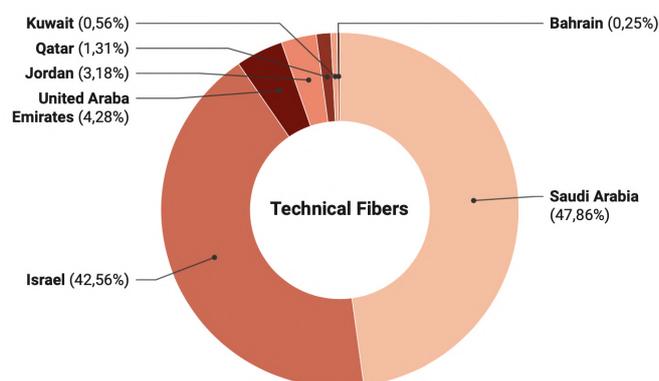


Figure 2.6: Technical Fibers main EU customers Source: ICEX

Nonwoven

The group of technical textiles referred as Nonwoven include a wide variety of products included in Table 2.4. In 2022, the exports of Nonwoven textiles from EU to the addressed markets were mainly concentrated in products such as **HS 5603 Nonwovens, whether or not impregnated, coated etc.**, and **HS 961900 Sanitary towels (pads) and tampons, napkins and napkin liners for babies and similar articles, of any material**. Israel, Saudi

Arabia, and United Arab Emirates were the main destination of EU Nonwoven exports. (see [Figure 2.7](#) and [Figure 2.8](#)).

Table 2.4: HS Codes used for Nonwoven
Source: Access2Markets Database

| HS code | Product |
|---------|--|
| 5601 | Text wadding & articles; Text fibres Nov 5 Mm, etc. |
| 5602 | Felt, impregnated, coated, etc. or not |
| 5603 | Nonwovens, whether or not impregnated, coated etc. |
| 630222 | Bed linen (excl. knitted/crocheted), printed, of man- made fibres |
| 630232 | Bed linen (excl. knitted/crocheted), of man-made fibres (excl. printed) |
| 630253 | Table linen (excl. knitted or crocheted), of man- made fibres |
| 630293 | Toilet linen & kitchen linen other than of terry fabrics, of man-made fibres |
| 701939 | Webs, mattresses, boards and similar nonwoven products, of glass fibres (excl. mats and thin sheets 'voiles') |
| 961900 | Sanitary towels (pads) and tampons, napkins and napkin liners for babies and similar articles, of any material |

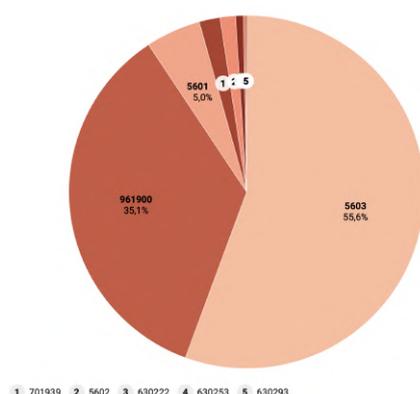


Figure 2.7: Relevance of EU Nonwoven exports
Source: ICEX

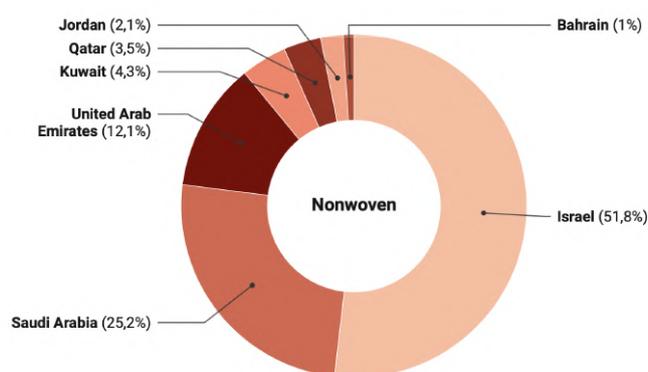


Figure 2.8: Nonwoven main EU customers
Source: ICEX

Home Textile

The European Union is a major player in the global home textile trade. The EU is the world's largest importer and exporter of textiles, accounting for approximately one-third of global textile trade. The trade of home textiles between the EU and the Middle East is supported by a network of manufacturers, distributors, and retailers operating across both regions. Many of these companies have established partnerships and collaborations to facilitate the trade of home textiles and other goods between the two regions. These countries have a high demand for luxury and high-quality home textiles.

The home textile market in Europe includes a wide range of products such as bedding, curtains, towels, bathrobes, and other household textiles included in [Table 2.5](#). In 2022, the exports of Home Textile products from EU to the addressed markets were mainly concentrated in **HS 57 Carpets and other textile floor coverings**, **HS 6302 Bedlinen, table linen, toilet linen and kitchen linen**, and **HS 5407 Woven fabrics of synthetic filament yarn, including woven fabrics obtained from materials of heading 5404**.

Within the addressed markets, countries such as United Emirates, Saudi Arabia, and Israel are the largest markets for home textiles. (see [Figure 2.9](#) and [Figure 2.10](#)).

Table 2.5: HS Codes used for Home Textile
Source: Access2Markets Database

| HS code | Product |
|---------|--|
| 5111 | Woven fabrics of carded wool or of carded fine animal hair |
| 5112 | Woven fabrics of combed wool or of combed fine animal hair |
| 5208 | Woven fabrics of cotton, containing 85 % or more by weight of cotton, weighing not more than 200 g/m ² |
| 5209 | Woven fabrics of cotton, containing 85 % or more by weight of cotton, weighing more than 200 g/m ² |
| 5210 | Woven fabrics of cotton, containing less than 85 % by weight of cotton, mixed mainly or solely with man-made fibres, weighing not more than 200 g/m ² |
| 5211 | Woven fabrics of cotton, containing less than 85 % by weight of cotton, mixed mainly or solely with man-made fibres, weighing more than 200 g/m ² |
| 5212 | Other woven fabrics of cotton |
| 5309 | Woven fabrics of flax |
| 5310 | Woven fabrics of jute or of other textile bast fibres of heading 5303 |
| 5311 | Woven fabrics of other vegetable textile fibres; woven fabrics of paper yarn |
| 5407 | Woven fabrics of synthetic filament yarn, including woven fabrics obtained from materials of heading 5404 |
| 5408231 | Man-made filaments; strip and the like of man-made textile materials Woven fabrics of artificial filament yarn, including woven fabrics obtained from materials of heading |
| 5405 | Other woven fabrics, containing 85 % or more by weight of artificial filament or strip or the like |
| 5513 | Woven fabrics of synthetic staple fibres, containing less than 85 % by weight of such fibres, mixed mainly or solely with cotton, of a weight not exceeding 170 g/m ² |
| 5512 | Woven fabrics of synthetic staple fibres, containing 85 % or more by weight of synthetic staple fibres |
| 5515 | Other woven fabrics of synthetic staple fibres |
| 5516 | Woven fabrics of artificial staple fibres |
| 57 | Carpets and other textile floor coverings |
| 58 | Special woven fabrics; tufted textile fabrics; lace; tapestries; trimmings; embroidery |
| 5905 | Textile wall coverings |
| 6301 | Blankets and travelling rugs |
| 6302 | Bedlinen, table linen, toilet linen and kitchen linen |
| 6303 | Curtains (including drapes) and interior blinds; curtain or bed valances |
| 6304 | Other furnishing articles, excluding those of heading 9404 |
| 940490 | Mattress supports; articles of bedding and similar furnishing (for example, mattresses, quilts, eiderdowns, cushions, pouffes and pillows) fitted with springs or stuffed or internally fitted with any material or of cellular rubber or plastics, whether or not covered |

2.2.2 Local textile production

Bahrain

The contribution to Real GDP in 2022 of the manufacturing sector has reached a 14 %, the manufacturing sector will include units manufacturing of food and beverages, tobacco products. Manufacturing of textiles, wood and paper products, refined petroleum products, chemical.

The textiles and clothing sector balance of textiles and clothing between Bahrain and the UE is positive for the EU.

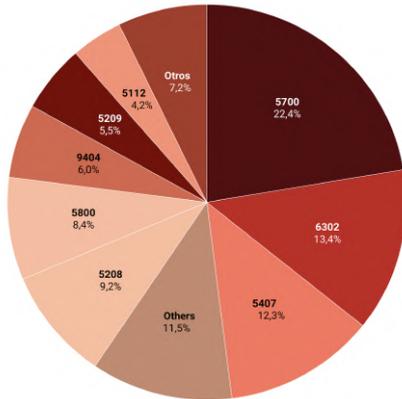


Figure 2.9: Relevance of EU Home Textile exports
Source: ICEX

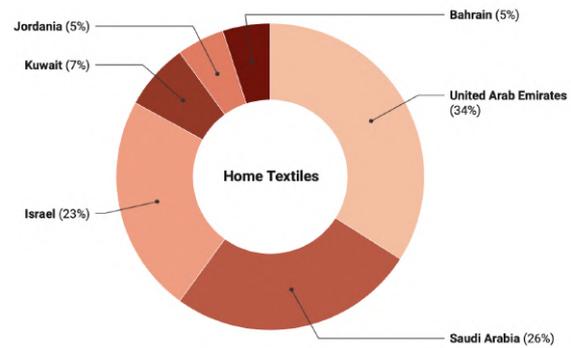


Figure 2.10: Home Textile products main EU customers
Source: ICEX

Israel

The origins of the current Israeli textile industry are rooted in many years of effort and development. In the mid-1950s pushed the textile and garment industry was a reliable source of employment. By 1985, the textile and garment sector had grown to 1,523 businesses. By 1988 the country kept pushing this industry as a source of employment for unskilled and semi-skilled immigrants and local Israeli Arab workers.

The factories converted in vertically integrated corporations. And the textile and garment business relied on exports to Europe and the United States to survive. They have also overcome challenges so as the limited domestic customer base, as the high expenses of reallocating production to lower-cost countries in the region as well as signing free-trade agreements with the United States and European Union.

At this moment Israel has the second-largest number of start-up companies in the world after the United States. Keeping up with new technologies, a strong economy, and extensive business connections have influenced the formation of an up-to-date and advanced textile industry. Specialized in high-tech manufacturing methods to manufacture high-quality, cost-competitive items, made strategic acquisitions in foreign companies.

The key segments in the market are:

- Trendy fabrics, wrinkle-resistant fabrics, and high-performance clothes made of the latest breathable.
- Producing high-quality woven and knitted.
- Leather goods and Gottex swimwear.

The label "Made in Israel" has come to represent design innovation and ingenuity, as well as technological advancements. Today, Israeli manufacturers of intimate garments, swimwear, fashion clothing, home textiles, and high-performance threads are among the world's best. The innovation is promoted and supported by the Government R&D pro-

grams, the Israel Innovation Authority (previously Office of Chief Scientist), and the Israeli Ministry of Defence.

The current local ecosystem contributes to innovation to find new applications. Although rarely new innovation and research are rarely focused on textile but rather on advanced scientific effort in the fields of medical sciences, material sciences, and Nanotechnology sometimes overlaps with textiles.

Some examples of the more prominent local high-tech products and companies include:

- **Tortech Nano-Fibres**, a startup firm founded in 2010. Its technology is based on a patented, innovative technique developed at Cambridge University. The process allows for the creation of non-woven mats and fibres constructed of Ultra-Long Carbon Nanotubes (ULCNTs) that may be handled and utilized without the usage of binders.
- **Twine** offers digital thread and yarn dyeing systems. This system enables customers to dye their own thread and yarn, immediately ready for sewing, knitting, and embroidery in a sustainable and cost-effective manner.
- **SP Nano** is a nanotechnology company that commercializes the use of nanoparticles in composite materials components and products. The patented SP Nanotechnology, which includes its unique SP1/protein, uses genetically engineered proteins to generate self-assembly nanostructures with Carbon NanoTubes (CNTs) attached to structural fabrics like carbon fibre, aramid, and glass fibre composites.

The country has considerable potential for growth in the fashion and textile industry. Its manufacturers are experiencing an increasing presence on the world market. **Jordan** Textiles play a big part in Jordanian culture. Throughout history, inhabitants of this land have used textiles in architecture, like in Bedouin tents, furniture, products, and clothing. Textiles are an essential part of culture and identity.

The textile and apparel industry is relatively small, but it is one of Jordan's main industrial sectors. The textile and apparel industry employs approximately 75 000 people, according to the World Bank, and the apparel sector accounts for approximately 27 percent of export earnings.

In 2019, Jordan's exports of textile yarn, fabrics, made-up articles, related products and apparel totalled US\$2 billion, according to the Central Bank of Jordan's (CBJ's) preliminary figures. The textile industry is dominated by the garment industry who has expanded rapidly over the past fifteen years.

The **main reasons which have allowed the evolution** of the sector:

- The signing of numerous free trade agreements (FTAs) as part of efforts to strengthen international cooperation and trade and increase its exports. Jordan has signed FTAs with the United States, European Union, European Free Trade Association, the Greater Arab Free Trade Area, Morocco, Turkey, Singapore and Canada.

- The QIZ agreement went into force in 1996 and allows Jordanian products made in designated areas and containing Israeli inputs to enter the United States duty-free and quota-free.
- The MENATEX project 'Improving the international competitiveness of the textile and clothing sector in Jordan' is part of the regional MENATEX programme that covers four countries in the MENA region: Egypt, Jordan, Morocco and Tunisia. The International Trade Centre, with the support from the Swedish government, implements the programme, which is will until the end of 2021. As part of this, twenty companies have been selected to receive individual support to help them strengthen their operations, improve their social and environmental sustainability and connect with buyers. The MENATEX Jordan project will also work to improve the eco-system around the companies by providing assistance to four trade and investment support institutions to upgrade their service portfolio to members.

There are numerous issues impacting its textile and apparel industry:

- Decreasing natural gas supply to the country and increasing oil prices have necessitated the import of more expensive fuel to generate electricity.
- Labour problems: The Institute for Global Labour and Human Rights reported labour violations at a Jordanian apparel factory, alleging that hundreds of guest workers were forced to work overtime hours without adequate pay or health benefits. In addition, more than two-thirds of jobs in Jordan's textile and apparel sector are held by guest workers, primarily from Bangladesh, India and Sri Lanka. The Ministry of Labour has urged employers in the sector to reduce their dependence on foreign employees, especially considering Jordan's high unemployment rate, which was 12.9 per cent in 2017, according to Jordan's Department of Statistics.

The Jordanian government has set up a comprehensive five-year national program for economic reform and is receiving financial support from the International Monetary Fund, which has approved a three-year US\$2.06 billion Stand-By Arrangement to help implement the program.

Jordan has a good opportunity to attract foreign investment in the textile and apparel sector, as many countries in the region, particularly Iran, Iraq, Syria, Lebanon and Egypt, are experiencing political unrest.

Saudi Arabia

Saudi Arabia is one of the largest home textile (especially, bed linen) exporters in the Middle East. In general, the home textile market seems promising. The growth of end-use sectors like housing, hospitality, office spaces, and healthcare has ignited interest in home textiles among consumers.

It is projected that the revenue of manufacture of textiles in Saudi Arabia will amount to approximately 3,4 billion U.S. Dollars by 2024. There are currently 100 factories operating

in the textiles segment and 106 factories operating in the apparel segment. These two industrial centers have seen a growth of 23.4 % and 35.9 % respectively within the past 5-year period according to the [General Authority for Statistics](#).

In the past 5 years, the number of textile factories operating in Saudi Arabia has risen by 19%. In total 28 new apparel factories started. [Ministry of Commerce and Industry](#).

To remark that 15 % of the employment opportunities within the industrial sector of Saudi Arabia are within the textiles, wearing apparel, and furniture segment and the export of textile and clothing products accounted for 9 % of total sales within the export market for this country. The average ratio of exports to total sales in non-oil transforming industries sectors is estimated to be 30 %. [General Authority for Statistics](#)

Although the textile industry in Saudi Arabia has been growing, the majority of textiles that are purchased domestically are still imported. The population of the Kingdom is relatively young and growing, with a preference for high-end brands.

The key trends in local production:

Under the Saudi government's VISION 30 project, the petrochemical industry is processing materials into technical fibres and fabrics. According to the study [Petrochemical Polymers and technical Textile Textile Industry](#), the focus on the technical textiles is based on:

- **3-D.** Manufacturers in the region are adopting new technologies and using new innovative methods such as 3-D cotton textiles and other materials like nylon, and synthetic fibres to attract consumers in the market. Players are also adopting the use of recycled and sustainable materials that are cost-effective and use fewer natural resources.
- **Fibres and other textile threads** are used in manufacturing different industrial products (such as bags that are used for packaging onion and rice; special textiles that are utilized in the construction of bridges and roads; as well as textiles used for manufacturing of umbrellas, tents, (especially tents that are commonly used in the sacred sites during the time of pilgrimage) and furniture. These textile factories use raw materials that are utilized in the manufacture of petrochemical-based synthetic textiles (such as propylene, polyethylene, polyester and nylon) and others.
- **Synthetic technical textile**, in 2018, the Kingdom launched UDMAX™ GPE 46, a unidirectional fiber-reinforced thermoplastic composite tape that can be used to reinforce industrial oil pipes, boilers, and storage tanks. This can significantly increase strength performance while reducing weight and corrosion in the most demanding environments.
- **Health and medical textiles sector.** New fibres were introduced in 2018 as an innovative new product made of polypropylene resins, and engineered to enable manufacturers to produce non-woven fabrics of light thickness and different characteristics, including air permeability and thermal insulation. In addition, this material meets the rigorous standards of hygiene and consumer protection, which makes it highly can-

didate for use in a wide range of medical and health applications, including diapers, sanitary napkins, patient gowns, and medical clothing

Of all the products they process, 50 % are for export and the rest to cover domestic demand, 30 % is for government investment, and the remaining 20 % for local industry consumption.

Some of the challenges facing the industry of petrochemical-based textiles are:

- To have enough qualified professionals, still an excessive reliance on non-Saudi manpower.
- Low international competitive prices, as some of these petrochemical industries are being participated by international companies.
- Lower competitive prices in some of the environment countries due to lower wages payment than in Saudi Arabia.
- The economic fluctuations.

The technical textiles have an opportunity due to the high capacity of production due to the politics of decarbonization and zero waste.

United Arab Emirates

UAE has led in oil for years and is merging to be a textile and clothing merging hub. Accounting for almost 5.5 % share of the world trade, the Middle East ranks as the fourth biggest exporter of fashion and clothing accessories.

The United Arab Emirates (UAE) has a large textile industry, although it is not advertised or marketed. They make products such as child safety seats, curtains, luggage, and some high-end fashion for local purchases. However, their best-selling textile is woven goods like knitwear.

This industry has become so large in the country that textiles are only behind oil for income and employment.

Although the UAE sells to over 50 countries, they also have a large customer base domestically. In cities like Dubai, the local male consumer has become intrinsic to the growth of the high fashion industry.

Additionally, the UAE has garnered a lot of business from other countries moving their base of operation to Fujairah free trade zone. This area attracted many companies and people into the UAE, which adds a larger customer base for their garments and textiles. In 2012, the UAE took advantage of this area and its growing population to add its own largest textile mill in the Middle East.

Another advantage of the United Arab Emirates is the location, they have become a shipping hub for other countries' textile industries. This has created more business for them and created a good network for other trade. Also the low taxes are attracting other business in the area.

2.2.3 Textiles Market segments

The market can be segmented by according to:

- Distribution channel: online and offline.
- Distribution retail structure:
 - Importers and distributors
 - Supermarkets/Hypermarkets
 - Specialty Stores
 - Department Stores
 - Home and garden stores
 - Warehouse clubs
 - Online
 - Other distribution Channels

There are two main ways to access to the distribution channel.

1. One is through access to the **retail channel**, where many companies enter into contracts with foreign exporters for the import of home textiles. Within the retail market are the exclusive distributors, who often carry more than one brand and have direct contact with the home textile market. These distributors usually promote their products themselves, relying, according to the exporter, on catalogues and financial support for the promotion of their products.

On the other hand, there are companies, both large-scale, which import various international brands and small-scale shops international brands, as well as small shops, which either have more contact with local manufacturers or have more larger companies acting as wholesalers/suppliers.

Within the department store format, chains can also be found, which have a lower quality section at a cheaper price.

2. The second way to enter the market is through **direct contact** with the end customer. When a customer is interested in a specific product or brand, the company can sell its product directly. This usually occurs in cases where the customer has a high purchasing power, knows the brands, and looks for quality or design over price.

These are the most common ways of entering the home textile market, given that the wholesale channel comes in the form of vertical integration in some holding companies. The consumer divisions are responsible for the distribution and marketing of

home textiles. Either in their own shop formats or by opening franchises or shops through investment projects in collaboration with the franchisor or suppliers. It is quite common when approaching these markets to be requested by the brand franchising.

However, there are other alternatives:

Some international companies have decided to open franchises for the distribution of their products. As a new distribution channel, Internet sales are becoming increasingly important.

In the markets, it is easy to find the main international distribution Shops, like HABITAT, IKEA, or ZARA GROUP, and local distributors. The presence of the firsts varies from country to country. In the second group, we find that those countries whose economies depend on oil and with greater purchasing power have large conglomerates with a presence ranging from petrochemicals to agricultural goods or consumer and technological goods. In this case, it is the retailers who offer their products via their websites.

- **End user characterization**

- Residential
- Commercial

According to the end-user view, we can find four profiles:

1. **Upper or very upper class:** A group consisting almost exclusively of inhabitants with nationality with large fortunes, either derived from entrepreneurial initiatives, oil-related shares, or inherited. These individuals reside in large villas and often have a second home far from their usual residence or abroad. They purchase high-quality and often have highly trusted interior design studios.
2. **Nationals middle class:** It is an affluent middle class, with a taste for traditional and ornate environments. Their homes tend to be more spacious, with guest rooms, and a variety of spaces that require and varied spaces that require a greater amount of furnishings.
3. **Western expatriates:** People with greater or lesser purchasing power who demand certain comforts, generally with higher certain comforts, generally with a somewhat tighter budget. Many reside in the country on a temporary basis, so they do not tend to invest heavily in furniture.
4. **Asian expatriates:** The largest proportion of the population in the country, they are the working class with a significant level of income. This group only buys furniture in case of need and tends to look for low-priced furniture.

2.2.4 Contract and Hospitality

In addition to the significant growth in personal or residential demand in the region, there is significant growth in the commercial sector. The development of luxury tourism is the main driver for the construction of luxury hotels and therefore contract projects to equip them. According to data from the WTO Tourism Observatory the Middle East experienced the strongest relative increase among the regions in 2022 with arrivals reaching 83 % of pre-pandemic numbers (-17 % versus 2019).

Although in recent years different architecture and design studios have been appearing in these countries, many of these interior design projects where large luxury hotels are prescribed, are still being carried out by large international studios located in London, New York, Barcelona, Antwerp and Dubai.

The World Tourism Organization (WTO) estimated that in 2021 the contribution to GDP in Bahrain is 6.3 %, in Jordan 6 %, in Israel 2.8 % and in Saudi Arabia 2.2 %. It should be noted that in 2014, for example, Bahrain's contribution was 4.7 %. This shows the results of the commitment of these economies to tourism as a strategy to diversify their economy with strong investments.

Table 2.6: Number of hotels and beds per country

| Country | Beds x 1000 hab | Hotels | Total beds |
|--|--------------------|--------|------------|
|  BAHRAIN | 14 | 233 | 16,375 |
|  ISRAEL | 15 | 437 | 55,953 |
|  JORDANIA | 5 | 593 | 28,156 |
|  KUWAIT | 3,3 | 85 | 7,625 |
|  PALESTINA | 2 | 89 | 3,927 |
|  QATAR | s/d | 135 | 29,339 |
|  SAUDI ARABIA | 33 | 7,292 | 553,857 |
|  UNITED ARAB EMIRATES | 36 | 1,089 | 180,257 |

The most important tourism is generated between the countries of the region themselves. Thus in Bahrain tourism is mainly Saudi. In Kuwait, the main flow of tourists are also the Saudis and the second flow in the area are the UAE and Jordanians. In Jordan, the main flows are Saudi Arabia, and Palestinians, followed by Israelis and Kuwaitis, Bahrain, and Qatar. Israel receives tourism from all over the world but not from the rest of the countries covered by this study. Palestine, from Israel. Saudi Arabia, after Pakistanis and Indus, the largest flow is from Kuwaitis and with important volumes from Jordan and UAE. After India, the main flow of tourists in UAE comes from Saudi Arabia and also receives an important volume of tourism from Kuwait and Jordan. Bahrain and Dubai compete for high-income Western tourists.

According to the Q4 2022 [Middle East Construction Pipeline Trend Report from Lodging Econometrics \(LE\)](#), the hotel construction previsions in the region stands at 549 projects/143,637 rooms. The Middle East had a record number of new hotels open in the fourth quarter of 2022, closing out the year with 81 new hotels opened in 2022, accounting for 17,736 rooms.

At the close of the fourth quarter, projects presently under construction stand at 304 projects/86,440 rooms. Projects scheduled to start construction in 2023 are at 103 projects/27,325 rooms, up 20 % and 19 % respectively, year-over-year. Projects in the early planning stage are at a record-high 142 projects/29,872 rooms, with a 15 % increase in projects year per year and a 21 % increase by rooms

Countries in the Middle East with the greatest number of projects are Saudi Arabia with record-high project counts of 243 projects/67,618 rooms, the United Arab Emirates (UAE) with 104 projects/29,210 rooms, Dubai with 70 projects/21,790 rooms and Qatar with 48 projects/11,589 rooms.

The top three cities in the Middle East, with the largest hotel construction previsions, are located in Saudi Arabia. Provincial with 96 projects/23,182 rooms; Riyadh with record project and room counts of 73 projects/14,770 rooms; and Jeddah with 46 projects/10,179 rooms. These are followed by Doha, Qatar, with 42 projects/10,091 rooms.

Most of the projects belong to international chains like Hilton, Marriot, etc but also appearing other players in the region.

In the construction chapter, both tourism and residential construction plans and projects of the different countries are mentioned, which gives a better understanding of the potential of the contract sector in all the regions.

2.2.5 Market trends and opportunities

Common tastes

Traditional tastes in most Arab countries can be considered excessively baroque from a Western point of view, featuring ruffled curtains, carpets, and gilded ornaments, richly patterned fabrics, and profuse decoration in all rooms.

However, there has been a change in consumer tastes, with consumers gradually reducing this display of ornamentation and adding more plain surfaces, without motifs and more straight lines.

There are many design and architecture studios that in recent years have been advocating styles very close to those found in most European retail outlets, furniture that is more functional, with minimalist designs and naturalistic designs, which increase the sensation

of space and contact with nature. These new styles are becoming more and more and you only have to walk around the city to see an explosion of creativity in architecture and design.

There are some major trends and furthermore, specific trends in some markets that we will remark.

Major trends

- Increasing demand from the hospitality sector for bedding, curtains, and other textile products.
- Rising income levels of consumers in developing countries, which is increasing demand for high-quality home textiles.
- Proliferation of online retail channels, which is making it easier for consumers to purchase home textiles products from their homes or offices.
- Growing popularity of DIY (Do It Yourself) projects among homeowners, who are increasingly using home textiles products to personalize their living spaces.
- Increased use of natural fibres such as cotton and wool in home textile products, as a result of the increasing awareness about the health benefits associated with these materials.

Specific trends per countries

Bahrain, Qatar

Both countries have also adopted in the last few years more open-minded measures and have seen an increase in consumption capacity and economic improvement.

Jordan

Due to the important textile manufacturing industry, there could be an opportunity for a supply that can strengthen the position of local manufacturers and also within the economical area of MENATEX Egypt, Jordan, Morocco, and Tunisia.

Israel

The reforms undertaken by the Government of Israel that came into effect from June 1, 2022, should likely increase the country's imports of home textile products such as tablecloths, carpets and beddings.

The government has abolished import tariff on these products and has also dropped compliance with local standards. The designated home textile products can now enter Israel if they meet international standards, and there will not be any need for them to meet local standards as well. Further, inspections would not be carried out if importers declare that the products meet international standards.

DeserTech is an Innovation Community that promotes the development, adaptation, and commercialization of technologies that enable sustainable living in arid climates, while simultaneously, turning Be'er Sheva and the Negev region into a global entrepreneurial hub for these technologies. The DeserTech Community operates at an international level and is located in Be'er Sheva, Israel, part of the world's desert belt, and a living laboratory of science and technology.

DeserTech builds on existing technological and policy research, such as Ben Gurion University and its Institutes for Desert Research, regional R&D centers, and leading startups and corporates in the areas of sustainable agriculture, energy, water, and infrastructure.

The DeserTech community is a joint initiative of the Merage Foundation Israel, the Israel Innovation Institute, The Ministry of Environmental Protection, and Ben Gurion University of the Negev.

Organizes several events and collaborates had relations with other country's communities and associations so privates as publics.

Palestine

According to the Palestine Investment Found (PIF) 2021 Tourism in Palestine tourism sector plays a major role in improving the indicators of the national economy and creating jobs, as the contribution of the tourism sector amounted to 2.5% of the GDP.

For this reason, PIF invests in several tourism projects and facilities, along with many local and international investors. This sector has been greatly affected during the last period due to the Corona pandemic, and according to estimates by the Palestinian Central Bureau of Statistics, losses amounted to about \$ 1.15 billion dollars for the year 2020.

Palestine is characterized by coastal areas and picturesque mountainous landscapes being the cradle of religions, in addition to the presence of many Islamic and Christian religious monuments, especially in the city of Jerusalem, Bethlehem, and Jericho, in addition to summer, winter, and natural resorts, in addition to cultural tourism through many historical sites such as Hisham's Palace, and the Al-Pasha Palace Museum. Finally, eco-tourism, with Palestine owning about 48 nature reserves.

Kuwait

The textile sector in Kuwait is expanding. Medium-term growth is expected over the next four years. Demand for textile, in turn, will grow in line with the rapid development of the residential sector, driven both by the residential sector, driven by both government initiatives and private developers.

The furniture market in Kuwait is small in size and highly competitive but with high growth prospects. The latter factor translates into good opportunities for foreign companies seeking access to the furniture market in Kuwait. Foreign companies seeking access to the market, always bear in mind that the only way to compete is through product differentia-

tion, as price competition is difficult with Asian producers, who have much lower production costs.

This differentiation should be determined by an offer of products with an innovative and exclusive design, high quality, and that and exclusive design, high quality and partly responding to the tastes and style preferences of the local market.

We are witnessing a significant increase in demand, especially for furniture for hospitals and health centres, as well as for public offices.

Saudi Arabia

● The Mecca Pilgrimage

The Saudi Arabia home textile industry is popular in the world because of its association with heritage and its dependence on handicrafts in addition to its association with the Hajj and Umrah season in selling.

- **E-commerce explosion** One of the key market trends in Saudi Arabia is the boosting in the E-commerce according to the White Paper ([A BCG whitepaper in collaboration with Meta](#)) E-commerce is one of the fastest-growing segments of retail. Recent surveys reveal that the population of the KSA is relatively young and growing, with a preference for high-end brands. In 2011, the median age in the country was only 26, with 30 % of the population 14 years of age or younger. This has impacted the way the textile industry has developed within the Kingdom.

The adoption of Western culture is expected to propel market growth. Moreover, rising awareness about the benefits and comfort of these stylish home textiles will also contribute to market development. The top e-commerce website in Saudi Arabia for home textiles is Amazon.

The development of e-commerce during the pandemic together with the advantages that e-commerce provides:

- Access to a larger product assortment
- A tailored and personalized product offering
- Competitive and transparent pricing
- Social commerce
- Quick and secure fast payment and flexible delivery
- Fast and flexible delivery
- Convenient after-sales services

Also the trends in e-commerce and the possibility to face them like:

- Technology and logistics power of e-commerce
- Last mile logistics
- Fulfilment centres

- Efficient cross-border custom processes
 - Attractive and safe consumer platforms. This will allow an explosion of e-commerce in the middle east area.
- **Bed Linen Segment is Expected to Grow Fast** Regarding the products with the more potential opportunity bed linen including pillow covers, bed covers, bed sheets, and duvet covers, accounts for the highest market share and this is primarily due to the increasing consumer preference for quality over brands.

As explained in the description of the local textile manufacturing industry, it was largely oriented towards the development of applications and utilities from petroleum derivatives to reduce pollution and waste as part of its decarbonization and zero waste policies and led to new applications of technological textiles. To the extent that collaborations can be reached that allows them to achieve their projects or complement them, they are very receptive.

United Arab Emirates

The UAE market can be divided into two main markets: "Firstly, the Abu Dhabi market, which is very traditional, and where being well connected is crucial. Secondly, the emirate of Dubai, which is very saturated and with a lot of competition where, unfortunately, in many cases, price and product immediacy prevail over quality and the values of sustainability and well-being. Nevertheless, strategically, it is a global hub for architects, where projects are developed for the entire Middle East and North Africa (MENA) region".

This market is receptive to high-end products and the ongoing construction of office buildings and hotels encourages further investment to increase the company's activity through the contract channel.

Both the habitat market in general and the contract market will continue to evolve rapidly despite the political tensions and the effects of the pandemic that have put the brakes on projects.

The activity of the contract channel is deeply linked to this industry and to the real estate market, which it supplies with products and services for the equipment and decoration of spaces, as well as to the figure of the developer and/or contractor who executes the initiatives, and to that of the prescriber who provides advice. In fact, it is estimated that the average fit-out expenditure in this market over the last few years represents around 15 % of the total cost of projects.

The interior design and fit-out industry and the demand for items through the contract channel is concentrate in the UAE mainly through **residential projects**, which accounted for over \$2.5 billion, 45 % of the total spend in this segment in 2020, followed by hospitality with a 13 % share, and retail initiatives with a share of over 11 % in that year.

Imports play a key role in meeting this local demand and also for re-export to other countries in the region, as the UAE industry covers only 20 % of the market. The value of items purchased abroad that can be broadly grouped under this heading, which would

include furniture, lighting, home textiles, wall and floor coverings and sanitary ware and taps, totalled around \$4.12 billion in 2020, 8 % less than in the previous year, of which it is estimated that around half went directly to the contract channel.

Although the UAE projects itself abroad with an image of a luxury market, a population with high purchasing power and somewhat eccentric tastes, the reality is that much of it is far from this idea and **price is often a decisive purchasing factor** over other aspects such as design or innovation. Proof of this is that China is the main supplier of most items.

There is **a niche for quality products**, for European companies and in fact, many are already present through a distributor/agent or with their own delegation" as the cultivation of personal relationships is key to success in this and other activities. In this line, it is also a market in which references, especially from previous projects in the UAE and in the region, are of great importance. Added to this is the importance of being able to adapt and respond to unforeseen events, as well as having a good installation and after-sales service.

The **UAE is a mature, supply-saturated, price-sensitive and medium to long-haul market**. Therefore, it requires time and resources if it is to be approached in a serious manner and with the commitment that local players want to see in new suppliers. Steps to be followed:

1. The first step would be the one described in general for the whole geographical area of this study.
2. The second would be to support the local agent or distributor. It is essential to travel regularly to the UAE to visit **specifiers**, key figures in the choice of furniture and materials used in real estate projects, with the agent or distributor and to invest in the brand image through participation in trade fairs, public relations events or presence in the local media.
3. Finally, the companies that see the great potential and have a certain financial lung are the ones that decide to take the last step and open their own offices and **showrooms** in the territory. These offices will allow them to be closer to the clients and give support to the local partners and make the brands known to the community of architects and designers, as well as lobby and manage to generate the specification in projects and, on the other hand, develop the pure and hard business by visiting clients and distributors.

It is vital that they invest in brand image and make their products accessible in an attractive way to inspire interior designers, architects, dealers, and the developers themselves.

The UAE is also an important **gateway to the other countries of the Cooperation Council for the Arab States of the Gulf (GCC)**, formerly known as the Gulf Cooperation Council, and from Dubai, construction projects are prescribed for other countries in the region, the Middle East and several major tourist destinations in East Africa and South Asia.

To this end, one of the instruments is the attraction of foreign direct investment (FDI), encouraging higher value-added and more technology-intensive sectors. This strategy has been supported by a more laxer policy for obtaining residence visas, promoting qualified professions through the green visa, or for high net worth families or freelancers with a certain level of income through the golden visa. It is also proposed to maintain Dubai's leadership in the development of the services sector, mainly in the real estate, logistics, tourism, and financial sub-sectors, by increasing the number of free zones and industrial zones throughout the country, which has played a key role in the diversification strategy so far.

The Abu Dhabi Department of Economic Development announced a smart manufacturing initiative to diversify its economy and attract foreign companies. In October 2021 the Abu Dhabi Department of Economic Development (ADDED) announced a new Smart Manufacturing initiative to diversify its economy and attract foreign companies. This new initiative comes in tandem with the UAE federal "Industry 4.0" initiative of the UAE Ministry of Industry and Advanced Technology. The initiative's goals are to accelerate the digital capabilities of thousands of local manufacturers through partnerships with leading global tech companies. The UAE desires to boost manufacturing across the board by 30 % and increase GDP by \$ 6.8 billion by 2031.

The Emirates, and particularly Dubai, have managed to become the **region's main logistics, transport, trade, financial, and trade fair centre, as well as a platform for approaching third markets.**

UAE's imports are highly diversified, but as mentioned above, a large part of these products are re-exported to the region and even to neighbouring countries such as Iran, Pakistan, India or even African countries. According to the UAE Bureau of Statistics, most FDI is concentrated in the trade, real estate, finance and insurance, manufacturing and construction sectors.

2.3 Construction

The construction sector in the Middle East has been a major contributor to economic growth and development in the region for many years attracting international construction stakeholders to participate in them. The sector has seen significant growth in recent years, driven by a number of factors such as population growth, urbanization, and infrastructure development. The Middle East is home to some of the largest and most ambitious construction projects in the world. These include the Kingdom Tower in Saudi Arabia, and the Hamad International Airport in Qatar, among many others. These projects have attracted investment and expertise from around the world, and have helped to establish the Middle East as a global hub for construction and engineering.

The construction sector in the Middle East has faced some challenges in recent years, including a slowdown in some countries due to low oil prices and political instability. However, many governments in the region are investing heavily in infrastructure projects to diversify their economies and reduce their reliance on oil revenues. One of the key drivers

of construction growth in the Middle East is the need for housing and commercial buildings to accommodate the region's growing population. Many countries in the region have experienced rapid population growth in recent years, which has put pressure on housing and infrastructure. This has led to a significant increase in demand for construction services and materials.

2.3.1 EU and Middle East construction trade overview

The types of construction products traded from Europe to the addressed markets include a wide range of materials and products used in building and construction, such as cement, steel, glass, insulation materials, and electrical, plumbing equipment as shown [Table 2.7](#). The exports of construction products from EU to the addressed markets are mainly concentrated in **HS 68 Articles of stone, plaster, cement, asbestos, mica or similar materials**, and **HS 69 Ceramic products**. The largest markets are concentrated in Saudi Arabia, United Emirates and Israel (see [Figure 2.11](#) and [Figure 2.12](#)).

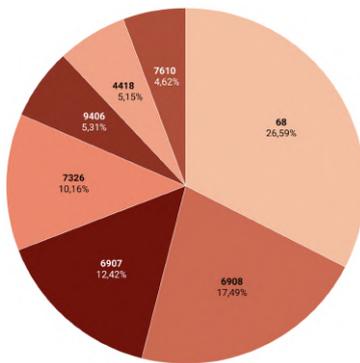


Figure 2.11: Relevance of EU Construction exports
Source: ICEX

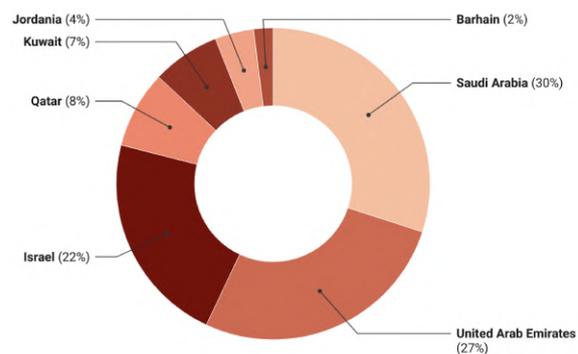


Figure 2.12: Construction products main EU customers
Source: ICEX

2.3.2 Focus Market: Trends and opportunities

Bahrain

Bahrain Kingdom's Vision 2030 economic development strategy, seeks to improve infrastructure, industry, housing, and connectivity and this calls for a more diverse economic base, with broader privatization, industrialization, training, and education of Bahrain's national workforce. The principles integrated under this development strategy are: sustainability, competitiveness, and fairness.

Construction is therefore one of the key sectors for the Vision 2030 strategy development, in fact is being the best prospect industry sector for this country. Construction sector rose by 1.4 % in 2022, despite the decrease in the issued building permits by 13.5 % and in built-up area by 26.8 % according to Bahrain's Information and E-Government Authority ([IGA](#)).

Table 2.7: HS Codes used for Construction
Source: Access2Markets Database

| HS code | Product |
|---------|--|
| 2515 | Marble, travertine, ecaussine and other calcareous monumental or building stone of an apparent specific gravity of 2.5 or more, and alabaster, whether or not roughly trimmed or merely cut, by sawing or otherwise, into blocks or slabs of a rectangular (including square) shape |
| 2516 | Granite, porphyry, basalt, sandstone and other monumental or building stone, whether or not roughly trimmed or merely cut, by sawing or otherwise, into blocks or slabs of a rectangular (including square) shape |
| 2517 | Pebbles, gravel, broken or crushed stone, of a kind commonly used for concrete aggregates, for road metalling or for railway or other ballast, shingle and flint, whether or not heat-treated; macadam of slag, dross or similar industrial waste, whether or not incorporating the materials cited in the first part of the heading; tarred macadam; granules, chippings and powder, of stones of heading 2515 or 2516, whether or not heat-treated |
| 3925 | Builders' ware of plastics, not elsewhere specified or included |
| 4418 | Builders' joinery and carpentry of wood, including cellular wood panels, assembled flooring panels, shingles and shakes |
| 68 | Articles of stone, plaster, cement, asbestos, mica or similar materials |
| 69 | Ceramic products |
| 69 01 | Bricks, blocks, tiles and other ceramic goods of siliceous fossil meals (for example, kieselguhr, tripolite or diatomite) or of similar siliceous earths |
| 69 02 | + Refractory bricks, blocks, tiles and similar refractory ceramic constructional goods, other than those of siliceous fossil meals or similar siliceous earths |
| 69 03 | + Other refractory ceramic goods (for example, retorts, crucibles, muffles, nozzles, plugs, supports, cupels, tubes, pipes, sheaths, rods and slide gates), other than those of siliceous fossil meals or of similar siliceous earths |
| 6904 | Ceramic building bricks, flooring blocks, support or filler tiles and the like |
| 6905 | Roofing tiles, chimney pots, cowls, chimney liners, architectural ornaments and other ceramic constructional goods |
| 70 16 | Paving blocks, slabs, bricks, squares, tiles and other articles of pressed or moulded glass, whether or not wired, of a kind used for building or construction purposes; glass cubes and other glass smallwares, whether or not on a backing, for mosaics or similar decorative purposes; leaded lights and the like; multicellular or foam glass in blocks, panels, plates, shells or similar forms |
| 7308 | Structures (excluding prefabricated buildings of heading 9406) and parts of structures (for example, bridges and bridge-sections, lock-gates, towers, lattice masts, roofs, roofing frameworks, doors and windows and their frames and thresholds for doors, shutters, balustrades, pillars and columns), of iron or steel; plates, rods, angles, shapes, sections, tubes and the like, prepared for use in structures, of iron or steel |
| 7324 | Sanitary ware and parts thereof, of iron or steel |
| 7326 | Other articles of iron or steel |
| 7610 | Aluminium structures (excluding prefabricated buildings of heading 9406) and parts of structures (for example, bridges and bridge-sections, towers, lattice masts, roofs, roofing frameworks, doors and windows and their frames and thresholds for doors, balustrades, pillars and columns); aluminium plates, rods, profiles, tubes and the like, prepared for use in structures |
| 9406 | Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; luminaires and lighting fittings, not elsewhere specified or included; illuminated signs, illuminated nameplates and the like; prefabricated buildings |

The sector remained resilient in the face of macroeconomic shocks, including the COVID-19 pandemic and the collapse of world oil prices, and is gradually reverting to steady growth levels.

Bahrain's announced as part of its 2021 Economic Recovery Plan over 22 strategic infrastructure projects worth over \$30 billion, including the construction of five man-made islands. These projects will be funded via public-private partnerships. Large-scale government infrastructure projects continue to stimulate the sector and have positive spill over effects in supply industries.

The government's major projects include:

- The \$7 billion Bahrain Petroleum Company (BAPCO) modernization & expansion project
- The \$3.5 billion King Hamad Causeway transportation infrastructure project
- The \$2 billion Bahrain Metro Project
- A new \$355 million gas processing plant
- Major housing and resort projects estimated at \$2.2 billion
- Electricity and water delivery projects estimated at \$1.1 billion
- Road and sewerage infrastructure projects estimated at \$900 million
- Construction of roads, sewage networks, and electricity connection systems for three planned cities
- The \$222 million Bahrain International Exhibition and Convention Center
- The development of five offshore cities off Bahrain's coastline

Simultaneously the demand for small housing units for low and medium-income families has increased dramatically in recent years. There are approximately 60,000 Bahraini families on the government's waitlist for subsidized housing. The government is pursuing an ambitious program of developing 40,000 housing units within the next decade. Close to 20,000 units are under construction. The major housing projects are East Hidd City, Diyyar Al Muharraq, Tubli Gardens, Argan, East Sitra, and the Naseej project in Northern City.

In the private sector, major new freehold real estate projects have been launched in Diyar al Muharraq, Dilmunia, and Durrat al Bahrain. Among others, a 3,000-unit Deerat al Oyun project has commenced in Diyar al Muharraq. Construction work on the \$650 million Villamar project at the Bahrain Financial Harbour in central Manama is also resuming. Government-funded projects in the fields of energy, industry, and transportation have also been major drivers in the construction sector.

Opportunities

- One of the largest projects within this pipeline is the \$1.1 billion **Bahrain International Airport Modernization** Program. The main contract was awarded to a consortium led by UAE's Arabtech Construction and TAV Construction Company from Turkey.
- **Follow-on phases and new project opportunities** include the construction of a maintenance repair and overhaul hanger, the refurbishment of the VIP aviation terminal, and, as part of the Bahrain Metro Project, the installation of a passenger station connecting the airport to down town Manama.
- In May 2022, Bahrain's Ministry of Transportation and Telecommunications pre qualified 11 international and local Bahraini companies for Phase One of the \$2 billion **Bahrain Metro Project**. The project is expected to deliver a 109 km light rail system that carries over 43,000 travellers per hour and includes four separate lines with two interchanges and more than 20 passenger stations.
- **The King Hamad Causeway** is also planned, with construction expected to start in 2024. This new rail and road causeway project connecting Saudi Arabia and Bahrain overland will run parallel to the existing 25km-long King Fahd Causeway and deliver new lanes to support additional passenger and cargo traffic, as well as a rail line to link Bahrain with the main GCC railway and existing Saudi rail network.
- U.S. Department of Commerce and Bahrain's Ministry of Industry, Commerce, and Tourism (MoICT) signed a Memorandum of Understanding (MOU) to establish a **United States Trade Zone (USTZ)** within Bahrain's sovereign territory.
- Bahrain's tourism and real estate development strategy also extends to **medical-tourism projects**, such as the construction of the \$300 million King Abdullah Medical City Hospital which is expected to open in 2022, the ongoing construction of the new \$66 million King Hamad American Mission Hospital which is expected to open in late 2022
- The launch of **mixed-use real estate** projects at Bahrain Bay, Bahrain Marina, Diyar Al Muharraq, Water Garden City, Dilmunia, Thai Mart Bahrain, open-air El Balcon Mall, and Marassi Al Bahrain.

Other key tourism developments expected to be completed in the near-term include:

- The \$120 million Muharraq Water Front Project (Saada), consisting of retail establishments, a marina, entertainment facilities, a 4-star hotel, a multi-story car park, and a traditional souq.
- The mixed-use Bahrain Marina in Manama, consisting of a five-star hotel and hotel suites, apartments, villas, a shopping mall, entertainment and educational facilities, retail space, and a yacht club with space for 250 boats.

- The multi-million dollar seafront mixed-use tourism and recreational Bijlaj Al Jazair project in Zallaq, delivering public beach access, food and beverage outlets, entertainment facilities, and hospitality services, as well as a four-star hotel, branded boutique hotels, and residential apartment buildings planned for later phases.

Israel

It is characterized as a country whose transport infrastructure development does not correspond to its current income level and is considered deficient. Moreover, it is an OECD country and therefore the construction of new transport infrastructure will continue to be very important in the country. The main challenges are to overcome the rapid population growth and the saturation of the country's central cities, such as Tel Aviv and Jerusalem. To this end, the government is seeking to improve transportation within and between cities by launching several projects of particular relevance. The following projects are currently out to tender:

- Completion of the Jerusalem light rail network.
- Completion of the Tel Aviv light rail network.
- Commencement of work on the Tel Aviv subway network.
- Commencement of work on the Haifa-Nazareth tram-train project.

In 2021, a record amount was already budgeted for the sector and an investment plan of more than \$35 billion was announced for the next decade. However, given that the growth or stagnation of the sector depends almost entirely on these granted public budgets it is very difficult to foresee whether in future years it will continue to grow. Moreover, this may be aggravated by the political instability that Israel is going through, since the last budgets could not be approved for two years and there is a risk that this could happen again in the short term, reducing the State's capacity to project new infrastructure.

Trends and opportunities

The Israeli market offers interesting opportunities for both construction companies and material producers and marketers.

- **TAMA 38 and Pinui Binui.** These are government programs to support the renovation of old buildings. Through these programs, developers undertake to rehabilitate or replace buildings in poor condition, making a return on investment through the sale of additional homes that remain in ownership. In 2018, these programs accounted for 19
- **Development of new building materials and new construction methods.** The Israeli innovation ecosystem is driving a revolution in all phases of a construction project cycle, including the development of new building materials and new construction methods. Of particular interest are the following startups, as they focus on the development of new materials: Criaterra, EConcrete, LimitLock, Kite Bricks, Gauzy, Kenaf Ventures, Ocean Bricks, Nano-Z Coating, RoadCode, Beyon3D and BayaBuild.

In addition, the Israeli authorities, aware of the potential impact of new technologies in the construction sector, have decided to replicate their successful model of creating innovation ecosystems by creating ConTech. This is an innovation hub focused on the construction sector that brings together all the players involved (large companies, startups, investors, government and universities) and whose partners are the Israel Builders Association, the Ministry of Construction and Housing and the Ministry of Economy and Industry.

There are three main ways to enter the Israeli construction materials market:

1. Direct sales: selling materials to construction companies directly, operating on a project basis. This is especially relevant in large civil works projects, in some cases because the technology used is required exclusively for that particular project.
2. Distribution agreement: agreement, with one or several companies, for the sale of materials in the country. In this case, it is common for importers to demand exclusivity in distribution, given the small size of the country.
3. Establishment in the country: opening of logistics centers, warehouses and showrooms to serve end customers.

The most common form, and the one chosen by most companies in the area, is undoubtedly that of distribution agreements. This is due to the existence of a strong network of distributors already established, which facilitates access to the market.

The country's two main ports are Haifa and Ashdod, through which practically all the trade received by both Israel and the Palestinian Territories enters. Innovation is a key factor in creating sustainable competitive advantages that make companies viable in the long term in this market.

The Israeli government's main interest lies in establishing trade relations and collaboration with one of the leading countries in innovation. The Israeli government is open to cooperating with its international counterparts and even has a mechanism for establishing bilateral industrial R&D collaboration programs with European countries. A comprehensive list of investment opportunities can be found [Investing Israel](#)

Jordan

The construction and infrastructure market in Jordan is expected to maintain positive growth momentum in 2022, building on the recovery that started in 2021. While the strongest growth is expected in the energy and utilities infrastructure sector, it is expected both the transport infrastructure sector and the residential and non-residential building sector to also achieve solid overall growth in the short term.

There is some downside risk stemming from rising inflationary pressures as global food and commodity prices are increasing, which will weigh on consumer and investor confidence. There is also some potential for global supply chain disruption to lead to project delays, particularly for the renewable energy sector. The outlook for Jordan's construction and

infrastructure sector will remain heavily influenced by the trajectory of the residential and non-residential construction sector which accounts for the majority of industry value, with transport and energy infrastructure together comprising less than a third of total industry value in the country.

Jordanian Contracting Law obliges foreign contractors to participate with Jordanian contractors in order to execute construction projects in Jordan. The bidding documents for these international tenders must include a commitment to award part of the contract value to local companies. No amounts or percentages of the contract are established but shouldn't be less than 30 %.

However, the main limitation of the new Law is the restriction on ownership, which is maintained for some sectors, although the Council of Ministers may authorize exceptions to this regulation. The main limitation of the new Law is the restriction on ownership, which is maintained for some sectors, although the Council of Ministers may authorize exceptions to this regulation, especially for investments made in the Development Areas and in the Aqaba Special Economic Zone, where, in principle, there is no limitation on the percentage of foreign ownership allowed, although this is foreign ownership, although subject to prior approval, in order to protect the most sensitive and strategic sectors of the economy.

Foreign investors may not hold ownership of more than 50 % of the capital in any of the following activities and sectors: commercial activities: purchase of movable property for rent or lease wholesale and, retail trade, import and export, with the exception of operations carried out with border warehouses distribution of goods and services in the interior of the country, including audio-visual material, among others. Engineering services, construction contracts, technical analysis services (chemical tests and geological (chemical tests and geological studies for the purpose of construction), maintenance and repair of means of transport and communication and communication equipment, labour services, intermediary services, advertising, currency exchange, catering, etc. The unique exception is with the possibility of 100 percent foreign participation in the purchase of land for the construction, sale, or leasing of residential flats.

Opportunities

Nationally Determined Contribution (NDC) targets. The fact Jordan is one of the most water-scarce countries in the world the lack of energy sourcing added that it's population has more than double in the last two decades is putting under pressure natural resources. They have been pioneers with this a green growth strategy, and efforts to green Jordan's public and private investment framework and its financial sector. It is inviting the private sector to find solutions to climate challenges and that it incentivized these solutions from a climate lens as part of its development model.

Government expenditure is focused on **sustainable infrastructure development** with continued investment in energy-efficient and environmentally sustainable assets. The government is also encouraging companies that emphasize on technological advancements and standardize modern methods of construction.

Another growing demand for **Building Information Modelling, Modular construction,** and the building materials industry.

Currently, they have 405 projects of urban construction, 64 industrial, 25 involving oil & gas, and 103 transport. Estimated construction and infrastructure growth of 6% CAGR is forecast globally between 2019 and 2026.

Kuwait

A number of urban development projects are currently underway to meet the expected demand for housing from the young Kuwaiti population. Also, the sector has not fully recovered from the pandemic and needs to launch new projects. One of the ways it is being promoted is to Promote Public-Private Partnerships (PPP) with a new law.

Kuwait invites private investors to take part in developing nine infrastructure projects worth \$36 billion under a new law. One of the main reasons is that the decline oil prices has compelled the government to explore alternative business model options. As an alternative to assuming the full cost of construction projects, the Government is focused on utilizing the PPP business model to develop essential infrastructure assets and services.

Kuwait has significant construction and investment plans, ranging from power stations and sewage and waste treatment facilities to railway and metro systems. In the coming few months, Kuwait will invite expressions of interest from investors in seven projects valued at approximately \$10 billion. Among them, two specific bids are expected to be released within the next four months for a \$1.3 billion to 1.7 billion electricity generation and water desalination project at Al-Zour. Nearly 70 to 80 percent of funding for these projects would come from banks, which authorities hope will stimulate the local banking system. The remaining funds would be provided by investors in the joint stock companies.

In the transportation sector, there are two large development projects. Kuwait aims to start building a \$6 billion railway and it also is planning a \$20 billion project to construct an urban metro system.

The Government expects the public-private partnership (PPP) model will reduce the delays and cost overruns that have plagued past projects. Private investors will not receive major payments until projects are operating, creating an incentive to complete construction on time and within budget.

Bureaucracy and politics may continue to slow projects. Nevertheless, the new law could make Kuwait considerably more attractive for foreign investors. The new PPP law includes provisions for foreign investors to compete on a more level playing field with Kuwaiti companies. The new laws amounted to an easing of restrictions on foreign ownership of project companies.

Trends and opportunities

Kuwait as well as other countries in the region are challenged to reduce their emissions, reduce and recycle waste and construction debris and optimize water resources.

Kuwait **XZERO CITY** is planned for 2034 is an example of how the country is approaching the thread.

It is a planned sustainable community, providing a net zero carbon lifestyle for 100,000 residents, in balance with nature. The city will provide food & energy security whilst promoting a green circular economy in an eco-friendly live, work & visit destination.

The 1,600 hectare development is planned for the southern region of Kuwait to provide 30,000 residential units, as well as 30,000 green jobs, which will be created in various hubs such as medical, tourism, technology, educational, retail & entertainment.

XZERO will promote sustainable tourism through its various eco-friendly hospitality assets, including a 5-star eco-resort and eco-lodges. Edutainment attractions such as the utility park & nature conservation center will transform the city into a unique visitor attraction. The green-tech hub will promote a collaborative innovative environment in food, energy, water, and waste tech. The medical hub will feature an autism village, wellness center & clinics. The educational hub will feature a nursery, school & an institute. Commercial hub will include indoor mall & flexible office spaces.

The city will incorporate many different urban farming methods such as community gardens, biodomes, aquaponics, vertical farms and biosaline agriculture. It will also harvest all the renewable energy needs locally, while also recycling its waste and water on site. The creation of cities that follow the highest standards of sustainability is no longer a choice. It has become a necessity.

Ultimately the city will provide the highest quality of life whilst protecting the environment for future generations. It will become a new benchmark for future cities to be planned in balance with nature, while promoting a greener circular economy.

Palestine

According to the Palestinian Central Bureau of Statistics (**PCBS**) some of the items the country exports are construction materials, like building stones, gravel, marble and travertine or aluminium profiles.

The contribution to the economy in terms of Gross Value Added is 108.746. The Value of the production is \$221 million. The number of employed persons in the construction are 8.860. The area of licensed buildings (residential and non-residential) totalled 1,399 thousand m^2 , of which new buildings made up 1,137 thousand m^2 and existing buildings comprised 262 thousand m^2 .

The total number of licensed dwellings was 5,982 with a total area of 1,004 thousand m^2 , of which 4,715 were new dwellings with a total area of 801 thousand m^2 and 1,267 were existing dwellings with a total area of 203 thousand m^2 . The number of new dwellings in the fourth quarter of 2022 increased by 8 % compared with the third quarter of 2022 and decreased by 4 % compared with the fourth quarter of 2021. Management of construction projects in Palestine has faced many problems due to, such as political uncertainty, scarcity of materials and equipment, and lack of regulation.

The performance of construction projects in the Gaza Strip has been a source of concern for contracting parties. URNWA's reconstruction and construction projects have been stalled since 2007.

Palestine Investment Fund (PIF) <https://www.pif.ps/amaar/real-estate-sector-eng-page/> has a successful track record of economic and developmental achievements to impact in the life of citizens. This fund gets finance for Arab and Regional Investors and several International Finance Institutions including the European Union.

PIF is focusing on a horizontal real estate development strategy across all districts through land development by developing large lots of land, providing state-of-the-art infrastructure, leveling works, zoning, and urban planning. These land lots will then be available for real estate developers and individuals in order to cover the gap in the size of lands suitable for development. PIF will effectively invest and contribute to the development of the physical and social infrastructure of the steadily growing Palestinian society to support the Palestinian economy and develop a solid, independent, and self-reliant economy.

Examples of projects being developed.

- Residential projects
 - Beit HAnina Heights (Jerusalem)
 - Jerusalem Commercial Center (Jerusalem)
 - Al Reehan Neighborhood
 - Al Jinan Neighborhood
 - Ersal Center
 - Moon City 1 and 2
 - Surda Hills in Ramallah and Al Bireh
 - Birzeit Heights in Ramallah and Al Bireh
 - Al Bustan Neighborhood in Jericho and Jordan Valley
- Hospitals and health
 - Istishari Arab Hospital – Al Reehan Neighborhood
 - Ibn Sena Specialized Hospital
 - Industrial parks
- Tourism
 - Golden Gate Hotel
 - New Capitol Hotel
 - Grand Park Hotel
 - Jacir Palace Hotel
 - Millennium Hotel

Qatar

The Qatar National Vision 2030 aims at transforming Qatar into an advanced country by 2030, capable of sustaining its own development and providing for a high standard of living for all of its people for generations to come.

Qatar must invest in world class infrastructure to create a dynamic and more diversified economy in which the private sector plays a prominent role. This requires continuous improvements in the efficiency, transparency and accountability of government agencies.

The development has to be carried on under sustainability, human, social, economic, and environmental basis. The construction sector is one of the most developed under this plan even the Covid-19 slowdown plans and infrastructure developments for the 2022 FIFA World Cup have been finished. The construction activity in Qatar has been resilient, as government spending has continued to finance projects. The construction sector has been one way to diversify the economy, pursue other opportunities, and expand from dependence on the oil and gas sector. Since the announcement of the hosting of the 2022 FIFA World Cup, the construction industry became the largest industry after minerals. Arriving to 15 Even a slowdown in projects is expected in the non-residential and transportation infrastructure sub-sectors. However, industry experts are expecting moderate growth as large-scale projects like the buildout for Qatar Energy's North Field LNG Expansion project ramp up and last until 2026.

The Qatari government has adopted also a law governing public-private partnerships (PPPs). This PPP law is a positive signal for further opportunities to gain access to the country's infrastructure sector, allowing a structure by which foreign firms can access and develop public sector infrastructure development opportunities. This law lays the foundation to enhance and complement the development of additional new projects in Qatar, particularly those in support of the next phase of the National Vision 2030. Qatar is set to award projects that utilize the PPP mechanism with an estimated combined value of \$85 billion by 2030.

Trends and opportunities

- Building materials
- Engineering and architectural services
- Construction and project management services
- Specialized contractors and service providers for education and healthcare facilities

Opportunities with Major Government Agencies and Quasi-Government Entities.

The public and private sectors rely heavily on international expertise in the areas of architectural, construction, and engineering services.

- Lusail- Mixed use development
- Major Expressway Program

- Hamad International Expansion- Terminal 2
- Local Roads
- Barwa Al khor
- Sharq Crossing for Doha Bay

Saudi Arabia

According to [Euromonitor data](#) , Saudi Arabia's construction sector turnover ranks first in the Middle East and Africa region. The sector's growth accelerated in 2021 and is expected to maintain this position by 2026. Furthermore, Saudi Arabia is estimated to lead the ranking for absolute turnover growth in the sector in the region. This indicates a higher B2B demand potential for the construction industry in Saudi Arabia compared to other countries in the region and ranks 17th in the Middle East and Africa region in terms of construction industry profitability.

The total number of companies operating in the sector continued to grow in 2021, reaching 23,295 companies. The industry can be considered fragmented, as the five largest companies accounted for 13.1 % of the value of production in 2021. Industry concentration decreased over the year. OIC Saudi Arabia Ltd remained the leading company in the Saudi Arabian construction industry in Saudi Arabia, accounting for 8.4 % of production value in 2021.

Saudi Arabia's construction market has been experiencing significant growth in recent years, driven by increasing government investment and a surge in private sector projects. The Saudi Cabinet has approved a budget for fiscal year 2023, which starts with a surplus of \$4 billion. The surplus will be used to strengthen the kingdom's financial position, boost government reserves, and support state funds. The construction sector plays a vital role in KSA's economy, with significant contributions to the country's GDP. In 2023, it's estimated that the construction contractor awards will reach US\$ 55,959 million.

The government remains committed to its Vision 2030 goals and plans to allocate funds towards pandemic-related risks such as healthcare infrastructure and support for impacted businesses. The budget will focus on continuing previously announced initiatives, including giga projects, to improve the economy, quality of life, and services for citizens and residents. These initiatives include the National Transformation Program, National Industrial Development and Logistic Program, Quality of Life, Pilgrim Experience Program, Saudi Green Initiative, and others.

The government is investing heavily in key sectors such as education and construction to support economic diversification and growth. The country's construction industry is expected to receive significant support from large-scale projects such as Neom, the Red Sea project, Amaala, and Qiddiya.

- Residential
A demand for 555,000 new residential units by 2030, indicating a vast need for new housing developments. The tourism industry will require more than 275,000 new hotel rooms.

- **Healthcare Sector Overview**

Under Vision 2030, the plans to invest over US\$ 65 billion to improve the healthcare infrastructure, targeting the privatization of 290 hospitals and 2,300 primary health centres to increase the private sector contribution from 40 % to 65% by 2030. There are aims to involve the private sector in health projects over the next five years. The healthcare sector has experienced remarkable growth and continues to be one of the few sectors unaffected by economic fluctuations.
- **Logistics and industrial**
 - The Riyadh Metro, railway links, and airport upgrades will be critical to achieving the country's growth ambitions.
 - Airport expansion and upgrade program to serve 330 million travellers by 2030
 - Plans to expand the capacity of the maritime sector.
 - 1800+ factories under construction with a capital of US\$ 18.3bn
- **Ports expansion**

Saudi Arabia's National Transport and Logistics strategy outlines plans to expand the capacity of the kingdom's maritime sector targeting an annual container capacity of more than 40 million containers, including associated value-chain investments by developing port infrastructure, enhancing integration with logistics zones, expanding connectivity with international shipping routes, and integrating with rail and road networks.

Saudi Ports Authority (Mawani) is driving the effort to raise seaport activity in the kingdom and recorded progress on a series of investments during 2022. In October, the authority signed an agreement with Danish shipping company Maersk to establish an integrated logistics park worth SR500m at the Jeddah Islamic Port (JIP).

Trends and opportunities

The main trends and opportunities introduced in the main professional fairs are:

- **Green and smart building design**, as well as methods of obtaining LEED certification for individuals and projects.
- Technological innovations being developed in concrete to improve its **fire resistance and to reduce its deficiencies in high temperatures**.
- Constructing buildings with ever lower emissions and another showing how innovation and technology can lead to reduced emissions during construction itself.
- **Smart buildings**, their importance in Smart cities and how the implementation of **Big Data** can improve the construction of these buildings, bring innovations and enhance the development of the aforementioned smart cities.
- Innovations in the design and application of **indirect evaporative cooling**.

- **Facility management tools** to optimise energy consumption, as well as the use of Artificial Intelligence to reduce energy consumption from air conditioning. Example WindFree technology. Variable refrigeration flow system technology.
- **Digital transformation** plays an important role in adapting to new opportunities and challenges. Facility professionals will learn how digital transformation can contribute to cost savings and increased productivity.
- **The future of health and safety practice.** Address future strategies in the fight for a zero-workplace injury goal and explore how emergency preparedness can help protect the health and safety of employees, their surrounding communities and the environment.
- Hygiene trends. **Best practices in cleaning and standards** that can help reduce direct costs by reducing waste.
- **The Building Information Modelling (BIM)** revolution can provide a solution for problems in the Saudi Arabian construction industry and improve its outcomes.

Tips for the market

International collaborations are not without their problems, so it is important to be aware of some of the most common problems in international consortia for project development. The article Towards attaining efficient joint ventures in international construction: the case of Saudi Arabia (Mahmoud Sodangi). Focus on the need for establishing international construction joint ventures (ICJVs) to efficiently manage risks, enhance efficiency, productivity, and competitiveness, reduce project costs, and promote sustainable engineering practices in infrastructure development and the most common problems for not reaching it.

- Selecting unsuitable partner
- Divergent organizational cultures, policies and procedures
- Poor knowledge of local regulation by foreign partners
- Poor awareness at inception
- Poor risk management system
- Poor strategic control of the alliance during implementation
- Conflict of interest among the partners
- Discrepancies in project objectives among the partners
- Ineffective strategies for solving problems
- Animosity due to unbalanced authority and responsibility among the partners
- Complexities in assessing the efficiency of the alliance
- Ineffective management of resources
- Low dedication of the partners
- Poor management of the projects

- Financial disparities between local and foreign partners
- Language barrier

United Arab Emirates

The construction industry is one of the pillars of the economic diversification process initiated by the United Arab Emirates (UAE) at the turn of the century, which has allowed it to concentrate large investments, accounting for 45% of the sector's expenditure in the region and becoming a leader in the last decade.

[Expo 2020 in Dubai](#) was a major boost for the UAE construction sector and thus for this channel over the last few years.

The authorities have continued to invest in major infrastructure construction plans, with mega-projects backed by federal initiatives such as the [Sheikh Zayed Housing Programme](#), the [Dubai Tourism Strategy](#) or Smart Dubai or the [Dubai Urban Plan 2040](#), which envisages almost doubling the population by then".

In this regard, the specialized platform [Ventures Onsite](#) estimates that construction will grow by 4.4 % this year in the country compared to the previous year and expects an average increase of 3.9 % per year between 2022 and 2025. With a solid recovery in the next five years. Growth will be driven by the country's development agenda focused on growing the country's industrial, transportation, and energy infrastructure. As part of the Projects of the 50 initiative, the UAE government announced 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 \$149.8 billion in foreign direct investment (FDI) over the next nine years.

The government focuses on investment in energy and infrastructure including transportation, utilities, decarbonization, renewable and nuclear energy generation, and resolving ongoing water scarcity. The significant commitment and resources of the government lead to many projects and opportunities for construction and engineering companies in the country.

- **The utility energy infrastructure sector** is expected to expand over the next decade to boost electricity generation capacity to meet growing demand and increase the UAE's water security. Growth in energy and utility infrastructure will be driven by the expansion of water and renewable energy capacity over the coming years, in line with the pressing water scarcity of the UAE and the government's low-carbon energy agenda. In 2021, ADNOC announced the development of a large-scale seawater treatment and transmission pipeline project in the Emirate of Abu Dhabi. This \$2.5 billion project is part of Project Wave and aimed to replace the current aquifer water injection systems used to maintain reservoir pressure at onshore oil fields in Abu Dhabi.
- **Transportation and road infrastructure development** continue to be key to the UAE to meet the needs of the growing population and the increasing number of cars. This is in line with the government's plans to expand urbanism and tourism in

Abu Dhabi and Dubai. The UAE has a sizable transportation and road infrastructure projects pipeline, including the \$11 billion Etihad rail project, the \$5.9 billion proposed hyperloop project between Dubai and Abu Dhabi, the \$2.7 billion Sheikh Zayed double-deck road project, and more. The increasing demand for urban transport and the government aims to bolster tourism and broaden transportation infrastructure will also drive rail and road development across the country.

- **Real estate market** witnessed a surge of prices in the first quarter of 2022 attributed to the government's ease of COVID restrictions on travel, tourism and other economic activities, the positive impact of the Expo Dubai World's Fair on the real estate and tourism sectors, and the return of international travel to normal levels. Prices in some sectors of Dubai's property market have increased as much as 56% over the last year, fueling interest in new construction. Property developers have launched new construction projects all of which reportedly sold out immediately. March, April, and May 2022 saw the highest levels of real estate transactions for those months in over a decade. Average rents in Dubai have also increased an average of 19% over the last year.

- **Market Opportunity in 3D Printing**

- The United Arab Emirates continues to incorporate innovative solutions and cutting-edge technologies such as 3D printing into nearly all aspects of its economy. In 2016, the Dubai government launched the “Dubai 3D Printing Strategy” to transform Dubai into a leading user, producer, and exporter of global 3D printing processes, technologies, and associated services. The 3D Printing Strategy has been implemented by many Dubai organizations, including the Dubai Municipality, Dubai Health Authority, and Dubai Holding, a holding company that develops/manages an extensive portfolio of companies, including real estate.
- By 2030, 25% of new building compositions must involve 3D printing technologies. Dubai continued to move towards this goal in 2019 by increasingly installing 3D printed lighting products, bases and foundations, construction joints, facilities and parks, and buildings for humanitarian causes and mobile homes. And in December 2019, Dubai opened the world's largest 3D-printed building.
- Other developments in the UAE include the first 3D-printed bus stop in the Middle East (March 2020), the Guinness World Records officially recognizing the Dubai Future Foundation as the title holder for the world's first 3D-printed commercial building (February 2020), the unveiling of the first 9-axis 3D printer in the region (November 2019), and the completion of the world's largest 3D printed two-story building (November 2019).
- The global market for 3D printing is rapidly growing, and is expected to surpass \$120 billion in 2020, and to reach US\$300 billion by 2025. 3D printing technology will ease the production process in a variety of sectors and is projected to cut construction costs by 5% to 70%, labor costs by 50% to 80% and construction waste by up to 60%.

There is a strong demand for all segments of design and construction. Recent trends indicate growing demand for solutions and technologies including:

Trends and opportunities

- Building Information Modelling (BIM)
- Augmented Reality (A/R)
- IoT data applications
- Drones in construction fitted with radio frequency identification (RFID)
- 360° video capturing technologies
- 3D scanning technology
- 3D Printing

A wave of private sector projects, combined with high levels of government spending and investment plans, is bringing renewed optimism to the market.

Local developers are increasingly seeking efficiency and digitally integrated processes in projects planning, staffing, monitoring, and delivery. American companies catering for digitized innovative technology solutions will find increased opportunities.

3 Trade Fairs, Events and Relevant stakeholders

3.1 Fairs and events

3.1.1 Construction + Design + Home Textile

It is quite common in most countries that several shows are held at the same event time with the aim of covering all areas related to construction, design, interior design, and equipment of residential and commercial buildings.

Kuwait

- **Baytak Construction Exhibition**

<https://http://www.kif.net/>

Dates 23- 25 May 2023 at Kuwait International Fairs Ground - Mishref.

The exhibition offers Building and Decor from A to Z". The exhibition offers a unique experience for potential buyers, contractors, engineers, architects, interior and exterior designers, developers, and construction professionals to meet under one roof. **Baytak** will be attended by local and international exhibitors. It shows the most innovative and latest trends in the industry of building and construction, interior design, furniture, home accessories, and more.

- **Kuwait Build and Design Week**

<https://www.kuwaitbulddesignweek.com/>

Dates 4-17 February 2024 at Kuwait International Fairs Ground - Mishref.

A Unique Marketplace for Business Professionals and Consumers. Kuwait Build and Design Week features 4 unique co-located events catering to the build, construction, and design industries of Kuwait and surrounding GCC countries.

Saudi Arabia

- **The Big 5 Saudi Arabia**

<https://www.thebig5saudi.com>

Dates 26-29 February 2024 held Riyadh International Exhibition Centre.

It is one of the main construction trade fairs taking place in Saudi Arabia. In addition, three other trade fairs, HVAC R Expo, FM Expo Saudi, and Stone and Surface, take place alongside this exhibition. In addition to the exhibition of companies, there were a series of conferences and activities.

United Arab Emirates

- **The Big 5 Show Dubai**

<https://www.big5global.com/>

Dates 4- 7 December 2023 Dubai World Trade Centre (DWTC)

It is the largest and most influential event for the construction industry with its global hub in Dubai acting as the gateway between East and West and unites the global construction community and provides leading-edge innovation, knowledge, and business opportunities for industry stakeholders to connect, grow, and succeed.

Bahrain

- **Gulf Construction Expo**

<http://www.gulfconstructionexpo.com/>

Dates 15-18 March 2023 celebrated at Exhibition World Bahrain.

The showcase for the construction and building materials sector is held alongside two other major exhibitions: Interiors Expo (Design, Furniture and Decor) and Gulf Property Show - providing a comprehensive integrated business-to-business showcase for the construction, interiors, and property sectors for the Northern Gulf.

Qatar

- **Build your house**

<https://buildyourhouseqatar.com/home>

Dates 15-18 May 2023 celebrated at Doha Exhibition and Convention Center (DECC), West Bay, Doha. A leader in the roadmap toward Qatar becoming an advanced society by providing the annual exhibition platform for Qatari citizens to build high-standard, sustainable and smart homes.

All the major consulting companies like (DELOITTE, KPMG, Mc&Kinsey, and BCG) have premises within the UAE and SAUDI ARABIA.

There are other more European companies orientated, below some of them:

KEO International Consultants

<https://www.keoic.com/>

Gulf Business Consulting

<https://www.gulfbusinessconsulting.com/>

INDICATORS Market Research and Consulting

<https://www.indicatorsconsulting.com/market-research>

IDOM

<https://www.idom.com/en/about/>

RLD ASOCIADOS

<https://www.gruporld.com/>

ACCESS UAE

<https://accessuae.com/>

KEZAD GROUP

<https://www.kezadgroup.com/>

DorSch Gruppe CB

<https://www.dorsch.ae/company/>

Roland Berger

<https://www.rolandberger.com/en/>

BAIN & COMPANY

<https://www.bain.com/>

RAKEZ - Specialized in the UEA Ras Al Khaimah Economic Zone

<https://rakez.com/en/>

The following magazine provides a comprehensive list of the 30 top interior designers in the Middle East [Delightfull](#).

3.1.2 Construction

Jordan

- **Interbuild Jordan**

<http://interbuild.jo/>

Dates 9-12 October 2023 celebrated in the Mecca Mall Expo - Amman.

Focus on construction and targeting Markets of Near East Countries: Jordan, Iraq, Syria, Lebanon and Palestine.

Kuwait

- **The Big 5 Kuwait**

<https://www.big5global.com/>

Dates September 2023 celebrated in Kuwait International Fairs Ground - Mishref.

Focus on Construction and Real Estate, Machinery, HVAC Systems Parts.

Qatar

- **Project Qatar**

<https://projectqatar.com/>

Dates 29 May -1 June 2023 celebrated in the Doha Exhibition and Convention Center.

One of the region's most renowned and best-attended construction exhibitions, connecting Qatar and GCC's top buyers with suppliers from around the world. The event attracts key influencers and industry leaders looking for the most up-to-date technology and state-of-the-art equipment available on the market.

Saudi Arabia

- **Saudi Build**

<https://saudi-build.com/>

Dates 6-7 November 2023 celebrated Riyadh Front exhibition and Conference Center.

Distributors, Trade Buyers, Project owners, Consultants, Architectural Engineers, and Specifiers will source their needs at the Saudi Build 2023. The event aims to bring industry professionals, solution providers and suppliers to innovate their solutions at this event.

3.1.3 Technical

Kuwait

- **KUWAIT TECH EXPO and SUMMIT**

<https://kuwaittechexpo.com/>

Dates 8- 11 February 2023 celebrated in the Kuwait International Fairground in Mishref- Hall No. 6.

Kuwait's Leading Technology Event, is a premier, most anticipated, showcasing the latest ICT products and services, hi-tech gadgets, consumer electronics and cutting-edge smart technology across all sectors, with unique launches, exciting interactive features and innovative solutions by top developers, manufacturers, retailers and international brands from the local, regional and global market.

Qatar

- **Smart City Expo Doha**

<https://www.smartcityexpodoha.com/>

Celebrated in March 2023, not yet available 2023 dates.

Celebrated at Msheireb Downtown Doha y Alwadi Hotel (Corner of Wadi Msheireb, Jassim. The global platform dedicated to discussing, tackling, and solving the challenges facing the cities of tomorrow.

United Arab Emirates

- **Gitex Global**

<https://www.gitex.com/>

Dates 16-20 October 2023 in Dubai World Trade Center (DWTC).

The world's largest and most inclusive tech event will return to Dubai in 2023 for its 43rd edition, gathering the world's most advanced companies and best minds to elevate business, economy, society, and culture through the power of innovation. Converging and unifying the world's leading tech protagonists, inventors, academia, researchers and developers, GITEK 2023 will also supercharge the epic global race for AI supremacy, manifesting and translating gen-now tech into business solutions that are shaping societies and fast-tracking future urbanism.

- **IDC Middle East Cio Summit**

<https://www.idc.com/mea/events/70321-idc-middle-east-cio-summit-2023>

Dates 22-23 February 2023 celebrated in Atlantis, The Palm Crescent Rd - The Palm Jumeirah - Dubai.

The Event is a premier, most anticipated, showcasing the latest ICT products and services, hi-tech gadgets, consumer electronics and cutting-edge smart technology across all sectors, with unique launches, exciting interactive features and innovative solutions by top developers, manufacturers, retailers, and international brands from the local, regional and global market.

- **TECHSPO DUBAI - Technology Expo**

<https://techspodubai.ae/>

Dates 10-11 February 2023 it takes place at the 5-star Hyatt Regency Dubai Hotel in Dubai.

"TECHSPO Dubai brings together developers, brands, marketers, technology providers, designers, innovators, and evangelists looking to set the pace in our advanced world of technology.

Showcasing the next generation of technology and innovation; Internet, Mobile, AdTech, MarTech and SaaS Technology, Exhibitors have the opportunity to show off their companies to consumers, the highest calibre investors, hordes of press, the most sought-after talent, and the greatest pool of tech enthusiasts looking to celebrate emerging products. Be prepared to be inspired, amazed, and educated on how these evolving technologies will impact your business for greater growth.

As part of TECHSPO Dubai a limited attendance paid event, DigiMarCon Middle East Digital Marketing, Media and Advertising Conference. If the conference is where the learning, theory, and inspiration happens, then the TECHSPO floor is where the testing, networking, and product interaction takes place."

3.1.4 Textile

Jordan

- **Jordan Fashiontex**

<https://jordanfashiontexfair.com/>

Dates 21-23 September 2023 takes place at Mecca Mall Expo - Amman.

Jordan International Fashion, Textile and Accessories Fair gathers international fashion professionals under one roof through Pyramid Group's strongest network in the Arabian Gulf, Europe, Middle East, and Africa. With the richest product portfolio of exhibitors, Jordan Fashiontex will be presenting the latest trends and technologies in the textile and ready-to-wear sectors.

Saudi Arabia

- **Index Saudi Arabia**

<https://www.index-saudi.com/>

Dates 1-5 March 2023 takes place at Riyadh Front exhibition and Conference Center.

It is the Kingdom's premier interior design, furniture and fit-out trade event where interior brands meet interior designers, retailers, distributors, and fit-out contractors.

United Arab Emirates

- **Inhometex**

<https://inhometex.ae/>

Next dates 3-5 September, celebrated every 2 years at 2024 Dubai World Trade Centre (DWTC).

Brings together the most prominent HOME TEXTILE brands from around the world under one roof to a large-scale audience looking to source and purchase the best products for all the industry channels of distribution. With a steady development in the hospitality, commercial business, and real estate sectors in recent years, which is expected to continually grow internationally and in particular in the Middle East increasing the demand and the variety for HOME TEXTILES.

Saudi Arabia

- **Hotel and Hospitality Expo**

<https://www.thehotelshowsaudi Arabia.com/>

Dates 10-12 September 2023 takes place at Riyadh Front exhibition and Conference Center.

Focus on the hotel and hospitality sector and better reflect the latest trends in the industry. It has been recently modernized.

- **Index Dubai** <https://www.indexexhibition.com/>

Next dates 23-25 May 2023 at Dubai World Trade Centre.(DWTC).

Orientated to the Interior Design and fit-out industry. Brings together different venues INDEX, The Hotel Show and Work Space.

- **International Apparel and Home Textile Fair**

<https://www.internationalapparelandtextilefair.com/>

Dates 1-3 May, celebrated every 2 years at 2024 Dubai World Trade Centre (DWTC).

Platform to connect with buyers from the Mena Region specialized in textile, apparel and home textile.

3.1.5 Other fairs

Other main Fairs related to the sectors of interest.

United Arab Emirates

- **Dubai International Boat Show 2023**

<https://boatshowdubai.com/>

Dates 1-5 March 2023 celebrated Experiential Yachting Forum in Dubai.

Specialized in all the boats and yachting world.

- **Downtown Dubai**

www.downtowndesign.com

Date 8-11 November, celebrated in Dubai Design District (d3) Waterfront.

Design hosts a series of live talks, active discussions and industry masterclasses featuring regional and international thought-leaders, in an annually redesigned setting promoting interaction and dialogue.

3.2 Relevant players and stakeholders

Language in all the countries under this study is usually the first barrier that we encounter, but to this, we should add the strong state intervention in the entire economy and especially in strategic sectors.

In the construction sector, as we have seen, in order to enter the country, it will be necessary to participate in public contracts, and 'tenders' and sign agreements with local partners. Therefore, in order to establish agreements with these companies, which in many cases are owned by the same state, or are large vertical corporations or holding companies, it will be necessary to establish diplomatic relations. And the companies will have to use the respective diplomatic representations of the countries of origin and/or the EU.

Both in the construction and textile sectors, in the case of wanting to open representative offices or showrooms, it is also recommended to rely on official bodies.

In general, it is advisable in these countries to be in contact with the official delegations of the UE and the countries of origin located in the Embassies and with the internationalization support organizations available to the companies.

To make the first contact with these countries, it is possible to take advantage of prospecting trips, promotion actions, and trade missions as an easy and accessible tool for all types of companies.

Official support organizations in the countries included in this study:

The commercial attaché offices of the Ministries of Foreign Affairs of the countries included in this study, located in the embassies.

- **The Diplomatic Service of the European Union**

The EU's policy towards the North African and Middle Eastern countries seeks to encourage political and economic reform in each individual country in due respect for its specific features (European Neighbourhood Policy) and regional cooperation among the countries of the region themselves and with the EU (Union For the Mediterranean).

Provides information about tenders and provides updated information about the country's situation.

In January 2021, the EU's first Arabic-speaking Regional Media Officer for the Middle East and North Africa took office. His role is to communicate on EU priorities, policies, positions and projects of interest to the MENA region, complementing the work of the fifteen EU Delegations present in the region.

MENA Countries

https://www.eeas.europa.eu/eeas/middle-east-and-north-africa-mena_en.

Israel

https://www.eeas.europa.eu/delegations/israel_en.

Palestine

https://www.eeas.europa.eu/delegations/palestine-occupied-palestinian-territory-west-bank-and-gaza-strip_en.

● **Embassies**

Eslovenian Embassies

<https://www.gov.si/predstavnistva/>.

Italian Embassies

<https://www.esteri.it/it/ministero/struttura/laretediplomatica>.

Portuguese Embassies

<https://portaldascomunidades.mne.gov.pt/pt/rede-consular>.

Spanish Embassies

<https://www.exteriores.gob.es/es/EmbajadasConsulados/Paginas/index.aspx>

● **National Foreign Trade Promotion Institutions**

The Institutions for the promotion the international trade of Slovenia, Italy, Portugal and Spain will be a partner to be in touch so as an information source. Most of them have direct actions and promotions to access these markets.

SPIRIT Slovenia

<https://www.spiritslovenia.si/>.

ICE - Italian Trade Agency

<https://www.ice.it/>.

AICEP- Portugal Global

<https://www.portugalglobal.pt/>.

ICEX - Instituto Español de Comercio Exterior

<https://www.icex.es>.

- **Other Region Foreign Trade Promotion Institutions**

If there are additional local or regional trade promotion agencies, it would also be important to rely on their services. Some examples:

- [Chamber of Commerce and Industry of Slovenia](#).
- [Promos Italia be Global](#).
- [EPortugal](#).
- Spanish Regional promotion offices: [IVACE](#) Internacional, [IGAPE](#), [INFO Murcia](#), [Accio](#), etc.

- **Specific institution in the area:**

Specific institutions to promote relations and identify partners in the area. Private associations established in the area, that support economic activities and investments between de countries and UAE. Offer a meeting point through meetings, seminars, conferences, and receptions. Strengthen economic, cultural, and commercial ties between the countries and UAE. Improve the image of the countries throughout the United Arab Emirates and its influence area. Membership is necessary.

Slovenian Arab Business Council

<https://www.sloarab-bc.com/en/>

Spanish Business Council in the United Arab Emirates

<https://www.spanishbusinesscouncil.ae/>

Portuguese Business Council in Dubai

<https://portuguesebusinesscouncil.com/index.php/pt/>

Italian Business Council- Dubai and Northern Emirates

<https://italianbusinesscouncil.com/>

3.2.1 Construction

In the construction industry, the following relevant players and stakeholders stand out:

- **Bahrain Contractors Association**

<https://bh.muqawlat.com/en/club/contractors/view/432>

The association consists of a board of directors elected every two years through the general assembly and the elected council elects its president. The general assembly consists of 1500 participating members and registered in the association's statements. The Society has faced many and many obstacles in order for its movement to culminate in the development of a strategy of a national nature that takes into account the interests of the Bahraini contractor.

- **Contech -Israel**

<https://www.contech.me/>.

CONTECH is a HUB and the official arm of the Israeli government, dedicated to promoting Construction Tech & PropTech, with Israeli technologies, global construction corporates, government support, and the spirit of Israeli entrepreneurship.

- **Federation of Israeli Chambers of Commerce**

<https://www.chamber.org.il/en/>

- **Association of Engineers, Architects and Graduates in Technological Sciences in Israel**

<http://www.engineers.org.il/Index.asp?CategoryID=1914>

- **Jordan Engineers Association**

<https://www.jea.org.jo>

- **Saudi Contractors Authority**

<https://sca.sa/en/asca>

SCA aims at organizing and developing contracting sector, building distinctive productive competencies and creating a safe environment of international quality. SCA will also work to find an appropriate solution to the problems and crises facing contractors in general, it will encourage innovation and enhance the communication process among all relevant parties in the sector.

- **UAE Contractors Association(UCA)**

<https://www.uaecontractors.org/> It has cooperated with municipalities and professional bodies to assist in continuing task of developing a building and safety code for the UAE construction industry. This function is executed through the UCA's Technical Consultative Committee.

The UCA has placed the UAE in the focus of the international building officials' community by virtue of its prominent membership of the World Organization of Building Officials (WOBO), an affiliate body of the United Nations. At present, the UCA's chairman is also the president of WOBO.

The UCA has signed protocols of cooperation with its counterparts in several countries including, China, Egypt, Jordan, Lebanon, Syria, Canada, the UK, and the USA. These protocols assist in the flow of market and technical information between the UAE and the respective country for the benefit of industry on both sides.

The UCA serves as the Middle Eastern office of the International Marine Contractors Association Which aims at improving safety standards in underwater projects.

In addition to the protocols of cooperation, the UCA also receives delegation from construction industries in other countries as well as send its own delegations abroad for the purpose of enhancing international cooperation in the UAE construction industry.

- **Official bodies**

Aim to promote the development of the country and the industrialization plans, infrastructures and diversification of the economies.

- Offer comprehensive information about general plans.
- List of depending bodies and institutions related.
- Statistics.
- Standardization offices and regulations.

- **Bahrain Ministry of Industry, Commerce, and Tourism**

<http://www.moic.gov.bh>

- **Bahrain Ministry of Housing**

www.housing.gov.bh

- **Bahrain Ministry of Transportation and Telecommunication**

www.mtt.gov.bh

- **Bahrain Ministry of Works, Municipalities Affairs and Urban Planning**

www.works.gov.bh

- **Bahrain Ministry of Transportation and Telecommunication**

www.mtt.gov.bh

- **Israel Ministry of Environmental Protection**

https://www.gov.il/en/departments/guides/standards_in_israel

- **Jordan Ministry of Economy and Trade**

<https://www.mit.gov.jo/Default/En>

- **Qatar Public Works Authority (Ashghal)**

<https://www.ashghal.gov.qa/en/Pages/default.aspx>

- **Qatar Ministry of Environment and Climate Change**

<https://www.gco.gov.qa/en/ministries/minister-of-environment-and-climate-change/>

- **Qatar Ports Management Company (Mwani)**

<https://www.mwani.com.qa/English/Pages/default.aspx>

- **Qatari Diar/Lusail Real Estate Development Company**
<https://www.qataridiar.com/>
- **Kuwait Ministry of Commerce and Industry**
<https://moci.gov.kw/en/>
- **Ministry of National Economy, State of Palestine**
<http://www.mne.gov.ps>
- **Saudi Ministry of Commerce and Industry**
<http://www.mci.gov.sa/>
- **Saudi Arabia General Investment Authority**
<http://www.sagia.gov.sa/>
- **United Arab Emirates Ministry of Energy & Infrastructure**
<https://www.moei.gov.ae/en/home.aspxl>

Directories and information sources

MESTEEL. Steel directory
<http://www.mesteel.com>

Middle East Construction Week Directory
<http://www.constructionweekonline.com/directory/>.

Directory of constructing companies
<https://www.gulftalent.com/construction-companies-in-bahrain/>

Directory of constructing companies in Bahrain
<https://digitalmarketingdeal.com/blog/contracting-companies-in-kuwait/>

Platform of the Saudi Contractors Authority
<https://muqawil.org/en>

3.2.2 Textile industry relevant players and stakeholders

- **Manufacturers Association of Israel**
<https://eng.industry.org.il/Association-of-Textile-and-Fashion-Industries>.

The Manufacturers' Association of Israel (MAI) has served as an umbrella organization for industrialists in Israel for more than 100 years. The MAI and its members have led the economy since the early days of Israel, guiding the nation towards its current technological power and economic prosperity. Industry in Israel plays a key role in all spheres of life ranging from its great contribution to the defence, and security of the state, its assistance in the absorption of immigrants and its support for the outlying regions of the country to its substantial investment in education and Israeli society.

- **Israel Association of Interior Designers (IID)**

<https://www.i-arc.co.il/>

It includes interior designers who graduated from 4 years of interior design studies at the academic colleges and have a B. Design degree, architects who are also engaged in interior design and registered architectural and design engineers. Among the goals of the association: the creation of a strong and united community of professional designers with an extensive level of education and knowledge, and the regulation of their professional status.

The association is a member of IFI, the International Federation of Architects and Interior Designers, and is the exclusive and official representative of APID.

- **APID - Association of Professional Interior Designers UA**

<https://www.facebook.com/ApidUAE/>

- **Directory home textile producers JORDAN**

<https://www.textileinfomedia.com/business/jordan/home-textile>.

- **Directory home textile producers SAUDI ARABIA**

<https://www.textileinfomedia.com/business/saudi-arabia/home-textile>.

Interesting specialized directories

HORECA WAY

<http://www.horecaway.com/>

DEZEEN

<https://www.dezeen.com/>

Eye of Riyad

<https://www.eyeofriyadh.com/>

Top HOTELS CONSTRUCTION

<https://www.tophotelconstruction.com/en/>

HOTELIER

<https://www.hoteliermiddleeast.com/>

KOHAN TEXTILE JOURNAL

<https://kohantextilejournal.com/>

LOVE THAT DESIGN - DIRECTORY

<https://www.lovethatdesign.com/>

3.2.3 Technical and sustainable textiles relevant players and stakeholders

- **Israel Innovation Authority (ISERD)**

<https://innovationisrael.org.il/en/>

ISERD implements a large number of bilateral agreements with European countries and regions, and Israeli companies can collaborate with companies in any European country through industrial R&D programs like EUREKA and Eurostars. Around 100 new projects are approved and funded every year in these programs.

Can provide matching between partners abroad and in Israel to help find the right collaboration opportunities for each individual or business. Organize meetings between foreign companies and the big names in investment, business or research.

3.2.4 Other relevant institutions

Arab Monetary Fund

<http://www.amf.org.ae>

Arab Fund for Economic and Social Development (AFESD)

<http://www.arabfund.org/>

Bahrain Economic Development Board

www.bahrainedb.com

Arab Palestinian Investment Company- APIC

<http://www.apic.ps>

The Arab Palestinian Investment Company (APIC) is a leading investment holding company that was founded by a number of Arab and Palestinian businessmen aiming at steering investments towards Palestine that ultimately contribute to building a viable Palestinian economy. Subsidiaries of APIC offer a wide array of products and services through distribution rights agreements with multinational companies.

Palestine Monetary Authority

<https://www.pma.ps/en/>

3.2.5 Other relevant information sources:

A list of directories provides business information, contacts and general trade details of the Arab region:

AME Info. Arabian Middle-East Business Information

<http://www.ameinfo.com>

ZAWYA. Middle East Business Information

<http://www.zawya.com>

AME Info. Arabian Middle-East Business Information

<http://www.ameinfo.com>

The Arab Guide

<http://www.arabo.com>

Arab Trade Financing Program

<http://www.atfp.org.ae>

Trade Arabia

<https://www.tradearabia.com/>

Middle East Eye

www.middleeasteye.net

Arab News

<https://www.arabnews.com>

Middle East Business Intelligence MEED

www.meed.com

AGBI Arabian Gulf Business Insight

www.agbi.com

The Jordan Garments, Accessories & Textiles Exporters Association

<https://jgate.org.jo/>

4 Recommendations and tips for Market Approach

4.1 Recommendations for Market Approach

4.1.1 Business Culture in Middle East Arabian Countries

The Markets of the Middle East Arabian Countries include, among others Saudi Arabia, the United Arab Emirates, Palestinian Territories, Bahrain, Kuwait, Qatar, and Jordan. All these countries are primarily Islamic societies and, therefore, they are relationship-based cultures, taking time to get to know their counterparts before entering into business and requiring you to expend time in face-to-face meetings, maintaining contact, and building relationships.

Social norms and rules of behaviour are changing rapidly as people try to balance cultural traditions with the modern age. Behaviours and attitudes also vary between different regions, minorities, and tribes. Therefore, it is important to recognize that all descriptions of a conventional 'Middle East culture' in this profile are subject to nuances depending on people's age, social status, religious belief, tribe, or region of origin.

4.1.2 Meeting etiquette

- Frequently, you will need someone to help open the way with a personal introduction. Appointments should be made well in advance (2 or 3 weeks) and confirmed verbally a couple of days before the scheduled date. When meeting with government officials, a definitive date will not be settled until you arrive in the country.
- Business meetings can happen at various times of the day. Expect late night meeting dinners during Ramadan, as Arabs used to schedule meetings after breaking their fast. Meetings at 21:00 or 23:30 during Ramadan are not uncommon.

- In most countries in the Middle East, the working week is Sunday to Thursday (with the weekend being Friday and Saturday). Arabs may not be punctual, and it is not unusual to have meetings scheduled for 'morning', 'afternoon' or 'evening', rather than fixed times.
- Be aware of the 5 sets of prayers each day and that businesses are generally closed during prayer time (15-30 minutes).
- Whenever possible, avoid business travel during the summer months, as locals used to take extended summer breaks. Also, be aware of Hajj, the annual pilgrimage to Mecca (the dates vary each year).
- Although the Middle East has a high social media usage and consumption, Arabs do not rely on emails much and do not like Zoom calls much either, using WhatsApp is the main means of communication. Most probably, meetings will be confirmed on WhatsApp, agreements sent through WhatsApp, etc.

4.1.3 How to behave in a meeting

- Never start a meeting going straight to business as Saudis prefer to build the relationship by sitting down and having some small talk before going into business. If the meeting runs overtime is a good sign; they are interested!
- Deliver your business card using only your right hand and do not slide them across the table cards (one side of your business card should be printed in Arabic and the other in English).
- Greet attendants individually, starting by the most senior person, with a handshake, maintain eye contact and stand at a reasonable distance. Men should wait for a woman to initiate the handshake. If your counterpart is reluctant to shake hands, place your hand on your heart, smile and nod.
- Make sure that all brochures and presentation materials are full-colour and well-produced. Consider providing both English and Arabic copies – even if your meeting counterpart speaks English, the materials may be reviewed by other people in the company who are less comfortable with English.
- Gifts are not expected in a business setting but if you intend to give a present, note that it should be offered with both hands. For men, avoid silk and gold presents, pork-based products or products containing alcohol. Do not offer anything for women (unless from a woman).
- When sitting in a meeting, never have the sole of your feet facing someone else – it is considered disrespectful.
- Arabic or English? Managers or senior managers will often speak some English but, of course, some prefer to use Arabic since they can express themselves with more fluency. So, be prepared and, if possible, have an Arabic speaker with you.

4.1.4 Dress code

- Professional Saudi women will mostly be dressed in the abaya, non-revealing loose clothing and a head cover (hijab). Some will be fully veiled in the black niqab, covering the entire body and revealing just the eyes. Avoid shaking hands with female professionals dressed this way.
- Saudi businessmen will either wear traditional dress (a long white robe called a thawb, and a headscarf) or Western business attire.
- Visiting businesswomen should avoid clothing that reveals skin or tight trousers or dresses. It is recommended to wear an abaya and, wearing a headscarf is optional.

4.2 Country Considerations

The following “Country Considerations” as well as the tables for “Useful expressions” and “Dos” and “Don’ts” have been prepared focusing mostly on Muslim culture as it is the predominant culture in the region. Therefore, Israel’s “Country Considerations” have been prepared considering that structural and geographic realities differ considerably from those of its neighbours and can be found at the end of this chapter.

4.2.1 Bahrain

It is one of the most liberal countries in the Middle East and is tolerant of all faiths. Islam is their national culture and should be respected.

Although English is widely spoken, and written correspondence is usually in English, governmental institutions often prefer Arabic within.

Women are very active in the Bahraini society and, in business, men and women have equal rights. Bahraini women are generally highly educated and are employed in a wide range of sectors.

Being an Islamic country, the relationship between men and women follows unwritten rules. As with greetings, wait for a woman to initiate communication and be aware that some women do not shake hands with members of the opposite sex for religious reasons.

Working with a carefully chosen local partner is easier than doing it by yourself, as a local adviser will be more familiar with the business environment and will make it easier to keep in contact with customers and to follow the latest market trends.

4.2.2 Jordan

Doing business in Jordan may include some challenges as the country, affected by ongoing political and economic reforms, is experiencing frequent updates and changes to laws and regulations.

Jordan continues to be a gateway to neighbouring countries, mainly Iraq, and has signed agreements for joint projects to revive economic ties, including a free trade zone. Many large Iraqi companies have bases in Amman and strongly prefer to conduct business from Jordan.

While women are underrepresented in the business circles, their role is starting to change. In Amman and some other large cities, women are attending university, becoming more involved in business, and other fields of employment.

Selecting local business partners is an important part of doing business in Jordan. It is recommended to discuss background, connections, and regional access with potential partners.

4.2.3 Kuwait

It is one of the smallest countries in the Arabian Peninsula and one of the richest in the world thanks to its oil reserves.

Conducting business in Kuwait requires a great deal of patience as business structures are very hierarchical, with all decisions taken at the top, and you will need to go through several meetings with junior executives before getting to the main decision-makers.

Usually, there will be several executives taking part in the meetings, being the most senior associates the ones speaking very little, if at all. There might be moments of silence during the meetings, and you should not feel obliged to fill in every period of silence. Business decisions can take time and should not be rushed.

While English is widely spoken in Kuwait's business circles, official documents and business contracts are written in Arabic. It is possible to have your contracts translated into English, nevertheless, should a dispute arise, the Arabic original will be the one taken into consideration.

Although women are enjoying greater freedom than in some neighboring countries they are very seldom seen in senior positions. While they are not expected to wear an abaya or hijab, they should cover up as much as possible and avoid wearing revealing clothing.

4.2.4 Palestinian Territories (The West Bank and the Gaza Strip)

The Palestinian Territories are made up of the West Bank (including East Jerusalem) and the Gaza Strip. The West Bank is a landlocked territory situated between Jordan, Israel, and the Dead Sea. The territory is home to over 3 million Palestinians. The Gaza Strip is a small territory located along the Mediterranean coast, bordering Egypt and Israel, and hosts a population of 2 million Palestinians.

As common in Arab countries, relationships are a key element in Palestinian business culture and, moreover, business dealings tend to be more personal and less formal as many businesses are small-scale and family owned.

Women are not seen in positions of main decision-makers and are usually limited to home-making or local cottage industries. They are also restricted on wearing Western-style dress, usually dressing in the traditional Muslim jilbab.

As a result of their history and circumstances, Palestinians do not trust outsiders automatically, taking some time to build the trust necessary for a solid business relationship.

Palestinians may be cautious about planning for things far in advance as political and social unrest easily renders business plans obsolete and can change according to varying circumstances.

The economies of both the West Bank and Gaza are poor and struggling. The restrictions on Palestinians' movements have an impact on the flow of goods and services in the area and fluctuate according to political relations with Israel.

4.2.5 Qatar

It has one of the highest levels of GDP per capita in the world, making it a key market both for trade and investment.

The business approach in Qatar is more conservative than other countries in the region, with emphasis on building strong personal relationships. You will need to take time to get to know your Qatari counterparts and show them respect and consideration.

When doing businesses with Qatar you might face several challenges, including bureaucracy, payment delays and a lack of transparency in the market. You should sign a contract before undertaking any work or projects in Qatar, clearly specifying the payment terms in the contract as any dispute will have to go through the Qatari legal system for resolution, which can be a long, complex process.

An additional challenge is the fact that Qatari business culture is generally verbal, and you might receive little or no response when you email someone after a meeting, making it difficult to read the actual outcome.

To operate in Qatar, a local sponsor will be required, with a typical partnership split of 49% to 51% in favour of the Qatari national, to register a local entity.

4.2.6 Saudi Arabia

Thanks to its strong economy, Saudi Arabia is one of the most globally influential countries in the Middle East and has made it strategically important to the international community. Saudi Arabia has a crucial influence on the rest of the Gulf and in the entire Muslim world.

The social atmosphere of Saudi Arabia remains highly conservative and reserved and their culture highlights the importance of personal ethics and morality and a strong sense of conviction regarding their moral code and the righteousness of their faith.

The country is undergoing a massive cultural shift and the government has been making efforts to reform and soften rules of conduct, reflecting this cultural and political change.

Saudis may agree on contracts and adhere to them based on trust and generally keep word-of-mouth promises, so be sure you completely understand what they mean. Yet, it is still important to secure matters with written contracts.

It can be difficult for businesswomen to achieve any results if the Saudi business counterpart does not have female employees. Women are very seldom in positions of main decision-makers in Saudi businesses.

4.2.7 United Arab Emirates

The United Arab Emirates includes seven emirates, Abu Dhabi, Ajman, Dubai, Fujairah, Ras Al Khaimah, Sharjah and Umm Al Quwain. The country is the region's most liberal due to its openness to expatriate workers (80% of its population) and tourists.

The UAE working week used to be from Sunday to Thursday. Starting on January 2022, all UAE government entities moved to a four and a half day working week, from Monday to Friday lunchtime, except Sharjah, which moved to a 4-day work week, Monday to Thursday. Corporations have been encouraged to follow the new work week, but adoption varies across the country.

The informality of meetings is often a surprise as interruptions and making phone calls during meetings are common. As a result, meetings use to last longer than expected.

Negotiations are likely to start at a junior level, however it is important to be aware that, given the family-based nature of many businesses, the final decision-maker will be the head of the family.

Under the constitution of the UAE, women enjoy the same legal status, access to education, the rights to practice professions, and to inherit property as men. As a matter of fact, every company in the UAE is required by law to have female board members.

Table 4.1: Recommendations for markets approach

| Dos | Don'ts |
|--|---|
| Be polite | Criticize way of doing business |
| Respect Islamic principle and practices | Rush business negotiations |
| Look for solutions not problems | Stress problems or disadvantages |
| Be patient | Show interest in local history |
| Build relationship over time | Refuse a favor if someone asks |
| Have business cards printed in both English and Arabic | Arrange meetings on a Friday. It is a day of rest and prayer |
| Small talk is normal before getting down to business | Jokes about Islam |
| Maintain formality | Criticize local records on crime or women's rights |
| Praise success of children | Show the soles of your shoes or raise your voice |
| Exchange information about business and travel | Comment on religion, politics, or sex |
| Praise local achievements | Show interest in family (especially wife, unless you are a woman) |

Table 4.2: Useful Expressions

| English | Arabic |
|---------------------------------------|---|
| Hello | Marhaba |
| Good morning/afternoon | Sabah al-khayr |
| Good evening | Masa al-khayr |
| Customary greeting: Peace be upon you | As-salam alaikum |
| Reply: And upon you be peace | Wa alaikum as-salam |
| How are you? | Kaif Halak |
| Congratulations | Mabrouk |
| Goodbye | Ma salamaa |
| Please | Min fudlek |
| Thank you | Shukran |
| God willing | Inshallah (used to say that you hope something will happen) |

4.2.8 Israel

Israel is a highly advanced, western-orientated market whose business practice is similar to much of Western Europe; thus, the business environment and style will seem familiar, dress codes may seem more informal and personal relationships usually play an important role.

Building relationships, which often includes socializing outside of the business environment, is viewed as extremely important. Israeli business often means building strong business networks. A concept known as “protexia”, which refers to the idea of knowing someone who can connect you to other important and relevant people.

Meeting agendas are common and are usually closely followed, tending to focus on a task at hand rather than covering several topics and closing with action items as well as a schedule and set of responsibilities for those in attendance. As Israeli management style tends to be collaborative, everybody is given an opportunity to express opinions and contribute to the decision-making process.

The working week is typically six days (Sunday to Friday), with most businesses closing early Friday afternoon in preparation for Shabbat. Consequently, Friday and Saturday make up the weekend.

Although the political and security environment can be tense because of the geopolitical neighbourhood, Israel is considered a safe place to do business and foreign businesspeople are warmly welcomed.

Payment methods usually include the option of cash against documents or letters of credit.

5 Conclusions

The countries in focus belong the Middle East region which, together with the rest of the emerging and developing economies, have experienced higher growth than the advanced economies since the second oil price boom. Regardless of the negative impact of Covid-19, all countries have managed to overcome it and present a common strategy based on the diversification of their economies and the attraction of foreign investment to avoid heavy dependence on oil and its derivatives. Saudi Arabia is by far the largest economy in the region in terms of GDP, followed by Israel and the United Arab Emirates. At a considerable distance are the smaller group of countries of Qatar, Kuwait, Jordan, Bahrain and Palestine.

The textile industry in the Middle East is evolving, with a growing focus on sustainability and technical innovation. As consumers become more environmentally conscious and demand for sustainable products increases. As a result, several companies in the region have adopted sustainable production methods, such as using organic and recycled materials, and implementing water and energy-efficient production processes.

As far as the textile industry is concerned, the set of countries analysed, although they are geographically quite close, have a rather deficient and disparate home textiles and technological textiles industry. Countries such as Saudi Arabia, the United Arab Emirates, Bahrain and Israel have a clear commitment to technological textiles, the most advanced being Saudi Arabia and Israel, the latter having a very mature ecosystem of technological innovation and start-ups and already collaborating with the European Union. The application of technological fabrics is focusing on the sectors of greatest economic activity, construction and now they are starting with applications in the field of sustainability for housing or agricultural production.

With regard to home textiles, there is an important demand derived from the pull of residential and commercial construction, hotels, restaurants and other spaces. However, it should not be forgotten that some of the world's most important architects, designers and interior designers who develop their projects in these countries have their studios in the leading cities for design and interior design: London, New York, Barcelona, and Dubai. In addition, most of the major players in these sectors attend the most important international events around the world. For the sectors of reference in this study, there

are business opportunities in all countries, obviously to a greater extent in those countries with greater purchasing power. It should not be forgotten that entering these markets and staying in them requires effort, patience, adaptability and finding the right partners with whom to collaborate. Make investments with a medium and long-term vision and demonstrate the seriousness and solvency that the market demands. In this way it will be possible to achieve a continued presence and have a good export market in each of the countries according to the company's interests. To achieve this purpose, it is important to rely on the European economic promotion institutions at the destination, which can guide us and eliminate many of the obstacles and problems of entry into the market.

The construction industry in the Middle East is a dynamic and rapidly evolving sector that is driven by both infrastructure development and real estate demand. Several countries in the region have embarked on large-scale projects, such as the construction of new airports, seaports, highways, and rail networks. In addition to infrastructure development, there has been a growing demand for commercial and residential real estate including luxury hotels, shopping malls, and residential towers.

In countries whose economies are based on oil: Bahrain, Kuwait, Qatar, Saudi Arabia and United Arab Emirates; the majority of construction companies have been created by the state itself and many of them are owned by the governments, making it difficult to identify ownership. Furthermore, these companies are normally large conglomerates or holding companies whose initial origin was the oil industry and its derivatives and which have extended their field of activity to the most lucrative sectors, construction, consumer goods and also to the sectors on which the government is focusing its intensity, health, agriculture, infrastructures and the oil derivatives industry with the aim of diversifying the economy and improving its situation with regard to sustainability.

These countries have defined a long-term development project "Vision 2030" focused on 4 areas: social and quality of life improvement, ecological sustainability, diversification and finding a way out of their post-oil economic models. In the case of Israel, Jordan and Palestine, the construction structure is more specialised or more similar to the structure found in Europe.

Middle East is a term used to describe the markets of the Arabian Peninsula and those in the Eastern and Southern Mediterranean basin. Most Middle Eastern countries are part of the Arab world and follow the pillars of Islam with varying degrees of public and private devotion. Accordingly, the position of women varies in different states, while in some countries they can be seen holding leading positions in the fields of healthcare, education, or administration, in some others they cannot interact, professionally or socially, with men outside their families.

Social norms and rules of behaviour are changing rapidly as their population is trying to balance cultural traditions with the modern age. Additionally, behaviours and attitudes also vary between different regions, minorities, and tribes. Therefore, it is important to recognize that all conventions on 'Middle East culture' are subject to nuances depending on people's age, social status, religious belief, tribe, or region of origin.

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