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Getting Ahead of the MENA Liquidity Squeeze

First oil suppression, then corridor costs, now rival standards. The outlook is fragmented — you need to move first.

November - 2025

Strategy & Corporate Finance Practice

EXECUTIVE SUMMARY

In our previous publication, ***Getting Ahead of the Next Stage of Economic Disruption,*** we argued that leaders must anticipate disruption before it materializes.

This paper extends that lens into MENA, where six economies—Saudi Arabia, UAE, Egypt, Iran, Algeria, and Israel—accounting for nearly 77% of regional GDP, now sit at the bull's eye of global volatility..

MENA at the Bull's Eye of Global Volatility

MENA's volatility is tangible—it shapes inflation, credit, consumer demand, talent, and investment portfolios. Family offices, with their heavy foreign exposure, stand both vulnerable and pivotal. Boards must balance global shocks with local resilience, foreign exposure with regional reinvestment, and sovereign defense with household trust.

Key Insights

Facts & Figures: GDP concentration in the 5+1 economies, corridor dependence, and FX fragility transmit global shocks into regional balances.

Horizon & Pressures: U.S.–China rivalry, oil suppression, corridor costs, and capital flight squeeze liquidity.

Scenarios: From highest tension to highest liquidity shortage, the region stands on the verge of inflation spikes eroding household purchasing power and tightening credit lines. Rising risks of talent flight threaten to drain mid-tier economies, with direct consequences for family businesses and regional resilience.

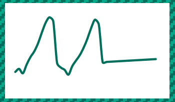
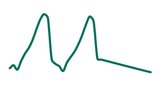
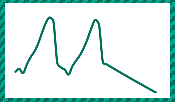
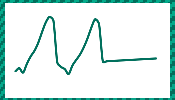
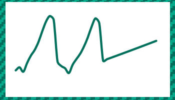
Strategy: Boards must act decisively on inflation, credit, purchasing power, talent flight, and family office exposures with dual discipline: macro resilience and micro defense.

Boardroom Recommendations

- Inflation & Margins: Approve dynamic pricing, hedge inputs, and digitize operations to protect profitability.
- Liquidity & Credit: Diversify financing (private credit, blended finance) and mandate quarterly stress tests.
- Purchasing Power: Stabilize essential goods, authorize targeted wage adjustments, and strengthen loyalty ecosystems.
- Talent Mobility: Launch GCC/MENA rotation programs, approve long-term incentives, and invest in knowledge partnerships.
- Family Offices: Rebalance portfolios—reduce foreign exposure, cap counterparty risk, and allocate toward regional infrastructure/SMEs.
- Scenario Playbooks: Set triggers for S1/S2/S3 and pre-approve boardroom actions for liquidity defense, selective inflows, and silent-stress monitoring.

In our previous publication, we mapped tension and liquidity into nine strategic outcomes – more likely south west

Geopoliticall tension

Diluting Tension Diplomatic thaw begins, but fragile.	**L3** Fragile Relief Rally **30%** *Tensions ease but liquidity remains tight* 	**L4** Coordinated Recovery **20%** *Requires policy coordination and diplomatic breakthroughs* 	**L5** Global Reflation Boom **10%** *Low likelihood without major global reset* 
Stagnant Tension Tensions plateau, but remain unresolved	**S3** Silent Stress **50%** *Tensions plateau, but liquidity remains uneven* **CVI - Mid** 	**S4** Neutral Drift **40%** *Baseline scenario if diplomacy holds & central banks stay cautious* **CVI - Low** 	**L2** Liquidity-Led-Optimism **20%** *Requires synchronized easing and geopolitical calm* 
Rising Tension Geopolitical tension isn't easing—it is reframing.	**S1** Classic Flight-to-Safety **60%** *Persistent US-China friction, EM liquidity stress, regional instability* **CVI - High** 	**S2** Fragmented Risk Rotation **40%** *Tensions persist but liquidity buffers hold in developed markets* **CVI - High** 	**L1** Inflationary Spillover **30%** *Unlikely unless central banks over-stimulate amid global tension* 
	Shortage Liquidity shortage is localized but persistent.	Stagnant Liquidity is uneven and cautious	Overflowing Liquidity is abundant but uneven

Liquidity conditions

Executive Brief – Scenario Integration into MENA region

Layer	Geopolitical Tension	Liquidity Crunch	Boardroom Implications
S1 – Classic Flight to Safety			▪ Inflation spike ▪ Credit Crunch ▪ Purchasing Power collpase ▪ Talent flight
S2 – Fragmented Risk Rotation			▪ Creeping inflation ▪ Sinking credit ▪ Silent erosion of purchasing power ▪ Quiet talent drain
S3 – Silent Stress			

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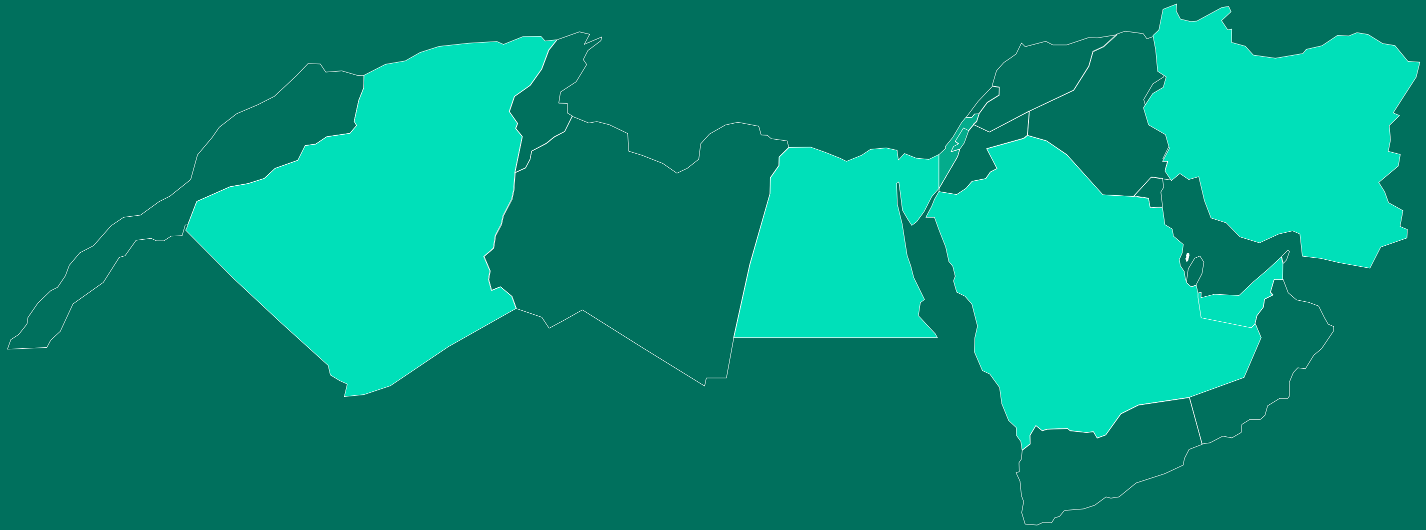
Executive Brief – Board Room Agenda

Risk Landscape	Objective	Action	Board Role
Macro Economic Resilience	Anchor against inflation & Liquidity shocks	Review FX exposure, supply chain hedging, and pricing strategies	Approve resilience measures and set thresholds for intervention
Credit & Financing Access	Ensure businesses and households remain funded under volatility	Diversify financing channels (regional funds, private credit, blended finance).	Mandate scenario based stress testing of credit lines.
Consumer & Household Resilience	Protect purchasing power and sustain demand	Stabilize essential goods pricing, approve wage adjustments, and invest in customer engagement ecosystems	Align corporate strategy with social resilience imperatives
Talent Retention & Mobility	Prevent brain drain and build regional talent corridors	Approve long term incentive plans, equity participation, and mobility programs across GCC/MENA	Endorse investment into knowledge industries
Family Office Exposure	Rebalance portfolios to reduce vulnerability to foreign shocks	Review foreign private equity and structured note exposures; reallocate toward regional infrastructure, ESG, and SME platforms	Demand transparency on structured products and scenario-aligned allocations
Scenario Playbooks	Prepare for S1, S2, S3 pathways with clear triggers and responses	Develop contingency playbooks for liquidity defense, selective inflows, and silent stress monitoring	Approve scenario thresholds and escalation protocols

AGENDA

6 markets out of 19 generate 77% of the GDP in MENA –

the Kingdom alone generates ~25% of the regional GDP



Saudi Arabia	UAE	Egypt	Iran	Algeria	Israel
$1.1 trillion	$509 billion	$387 billion	$413 billion	$266 billion	$521 billion
Majority GCC anchor	Services/logistics hub	FX-sensitive economy	Sanction-constrained	Hydrocarbon-dependent	Tech-driven, geopolitical premium

MENA at the Bull's Eye of Global Volatility

MENA is positioned at the crossroads of energy dependence, geopolitical rivalry, and liquidity fragility. Six economies—Saudi Arabia, United Arab Emirates, Egypt, Iran, Algeria, and Israel—collectively account for nearly 77% of MENA's GDP (~$4.3 trillion in 2023). Their vulnerabilities differ, but together they form the majority lens through which global shocks are transmitted into fiscal balances, FX reserves, and trade corridors.

Regional GDP Concentration

The concentration of output in the 5+1 economies underscores the region's structural exposure. Saudi Arabia alone contributes $1.1 trillion, or roughly a quarter of MENA's GDP. The UAE adds $509 billion, Egypt $387 billion, Iran $413 billion, Algeria $266 billion, and Israel $521 billion. Together, they dominate the region's economic architecture, meaning that volatility in these economies echoes across the entire MENA landscape

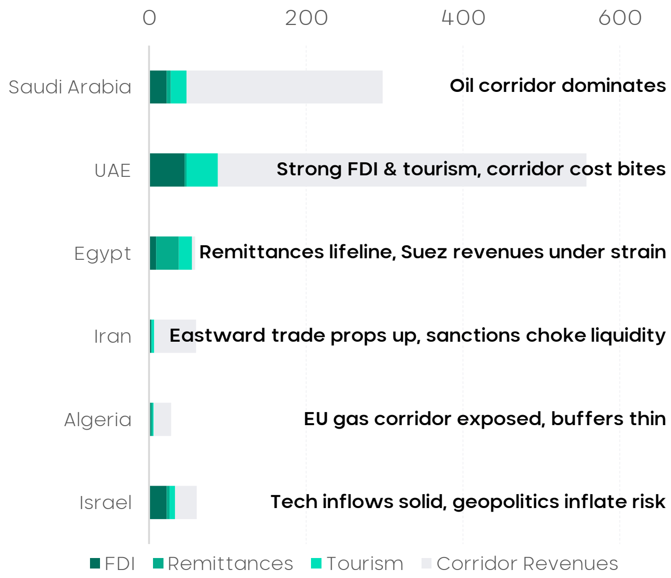
FX Lifelines and Liquidity Pressures

Foreign exchange inflows are the arteries of MENA's liquidity, but their sources vary widely. The UAE attracts FDI equivalent to nearly 9% of GDP and sustains tourism receipts of a similar magnitude. Saudi Arabia's inflows are more modest, averaging 1–2% of GDP, though tourism is rising under Vision 2030. Egypt's FX buffers hinge on remittances (7% of GDP in 2024), record tourism arrivals, and Suez Canal revenues. Algeria's lifeline is its Mediterranean energy corridor, while Iran relies on eastward trade with China and Russia under sanctions. Israel sustains 3–5% of GDP in FDI inflows, anchored in technology and defense exports.

These lifelines are fragile. Corridor disruptions, global rate cycles, and oil price suppression erode liquidity, forcing governments to reprioritize spending and tap sovereign buffers.

FX Inflows by Type

in US$-billion



Oil corridor dominates

Strong FDI & tourism, corridor cost bites

Remittances lifeline, Suez revenues under strain

Eastward trade props up, sanctions choke liquidity

EU gas corridor exposed, buffers thin

Tech inflows solid, geopolitics inflate risk

Manufacturing, Exports, and Imports

Saudi Arabia – Anchors the region with oil revenues but is pushing hard into non oil exports. In Q2 2025, non oil exports rose 17.8% year on year, led by chemicals and machinery. Yet imports remain heavy in vehicles, electronics, and capital goods, keeping the non oil trade balance in deficit. The risk lies in oil price suppression: global inflation management caps revenues, squeezing fiscal space and slowing mega project timelines.

United Arab Emirates – The region's logistics and services hub. Non oil foreign trade reached a record $470 billion in H1 2025, underscoring its role as a re export powerhouse. FDI inflows remain robust, while tourism contributes nearly 9% of GDP. Exposure lies in global rate cycles and corridor disruptions: higher shipping and aviation costs pass directly into re export margins, making liquidity selective and yield disciplined.

Egypt – Defined by FX sensitivity. Remittances surged to $29 billion in 2024, tourism reached a record 15.7 million arrivals, and non oil exports rose 21% to $36.6 billion in the first nine months of 2025, narrowing the trade deficit by 18%. Yet corridor disruptions in the Red Sea pressured Suez Canal revenues (~$8B annually), while heavy import dependence in capital goods leaves Egypt vulnerable to dollar strength and global financing costs.

Iran – Constrained by sanctions. Non oil exports in petrochemicals, metals, and agriculture provide some resilience, but FDI remains below 1% of GDP. Trade corridors rely on eastward ties with China and Russia, often structured through barter or alternative payment systems. Proxy conflicts amplify uncertainty and bifurcate liquidity channels away from Western systems.

Algeria – Dominated by hydrocarbons. Mediterranean pipelines and LNG shipments to Europe are its primary FX lifeline, making it highly sensitive to EU demand cycles and regulatory standards. FDI inflows remain modest (<1% of GDP), remittances hover around 1–2%, and tourism is underdeveloped. Corridor dependence is Algeria's core risk: any disruption in EU energy demand or regulatory tightening directly impacts fiscal balances and liquidity.

Israel – Adds a technology driven dimension to MENA. High value exports in cybersecurity, pharmaceuticals, and defense sustain robust FDI inflows (3–5% of GDP). Tourism and remittances play smaller roles, but integration into Gulf economies through trade agreements extends its influence. Risk landscape remains geopolitical: proxy conflicts and instability elevate regional risk premiums, disrupt shipping security, and depress cross border cooperation.

Comparative table

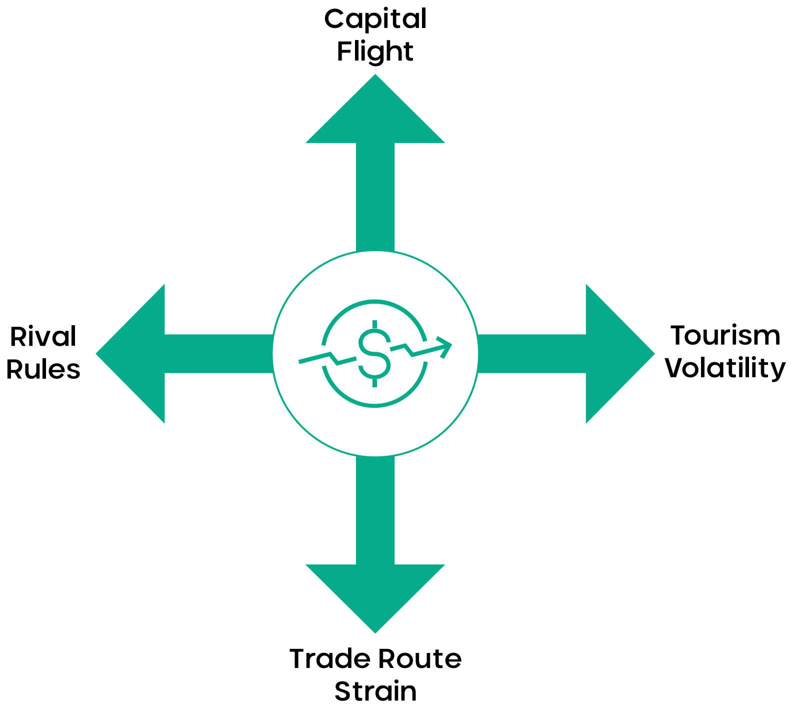
Market	Exports ($ bn)	Imports ($ bn)	FX lifelines ($ bn)	Vulnerabilities
Saudi Arabia	300	180	Oil exports 250; FDI 22.5; Tourism 20; Remittances 5	Oil price suppression; import dependence in vehicles/electronics; rate-cycle sensitivity
UAE	540	520	Non-oil trade corridors 470; FDI 45; Tourism 40; Remittances 2.5	Corridor cost pass-through; global logistics/aviation costs; USD liquidity reliance
Egypt	50	85	Rémittences 29; Tourism 16.7; Suez 4; FDI 9	High FX sensitivity; Red Sea reroutes; import cost inflation; debt/refinancing pressure
Iran	60	50	Non-oil exports 53.4; Tourism 3.5; FDI 2.5; Rémittences 0.5	Sanctions/proxy risk; payment rail constraints; limited hard-currency inflows
Algeria	45	40	Gas corridor 22.5; FDI 2; Remittances 2.5; Tourism 1	EU demand/regulatory shifts; hydrocarbon concentration; shallow diversification
Israel	75	95	Tech/defense exports 27.5; FDI 22.5; Tourism 7; Remittances 3.5	Geopolitical risk premia; corridor/security disruptions; talent and IP continuity

Oil and gas remain anchors, but price suppression weakens liquidity. FX buffers are corridor dependent and volatile. Import dependence persists. Geopolitical instability elevates risk premia. Collectively, the 5+1 economies place MENA at the center of global volatility

Taken together, the 5+1 economies illustrate the diversity of MENA's risk landscape. Saudi Arabia and the UAE anchor fiscal strength but remain exposed to oil suppression and corridor costs. Egypt's FX buffers are volatile, Algeria's energy corridors are EU dependent, Iran's trade is sanction constrained, and Israel's tech strength is offset by geopolitical instability.

The region's liquidity is squeezed from multiple directions:

- Capital flight during conflict escalations raises refinancing costs.
- Tourism inflows are vulnerable to global rate cycles and security perceptions.
- Trade corridors (Suez, Mediterranean pipelines, Gulf logistics) transmit global shocks directly.
- Standards bifurcation between U.S./EU and China/BRICS ecosystems reshapes financing, technology adoption, and market access.



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Boardroom Framework

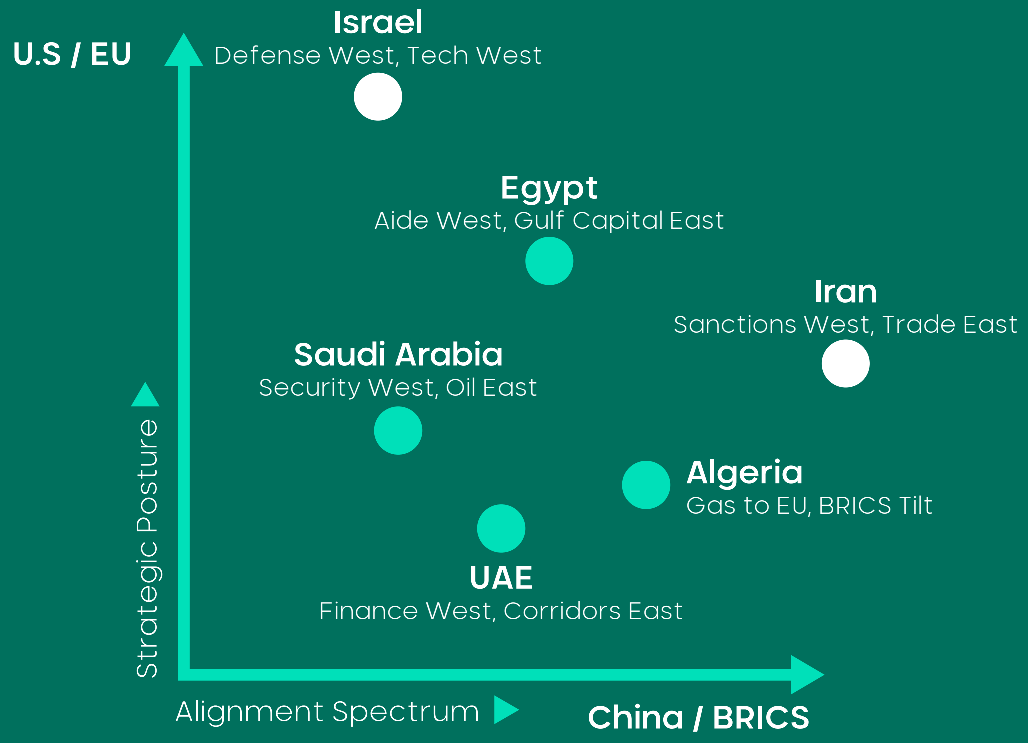
MENA economies are caught between rival poles — balancing autonomy against dependency

A U.S.–China dominance contest defines MENA's playing field.

On one side: defense guarantees, USD dominance, and technology integration.

On the other: BRICS expansion and Belt & Road corridor embedding

Liquidity splits between safe USD assets and Chinese aligned projects, leaving the region caught in a split order.



Global Rivalry and Regional Positioning

China's strategy is to **flood Gulf markets with goods, deepen infrastructure ties, and offer alternative financing channels** that reduce reliance on the dollar. The UAE and Saudi Arabia, with their strong consumer bases and sovereign wealth, are natural targets. Iran's BRICS membership cements its eastward alignment, while Egypt's inclusion gives Beijing corridor leverage through the Suez.

The United States, by contrast, **reinforces its role as security guarantor in the GCC**, anchors financial flows in USD, and **leverages Israel's technology exports to integrate advanced capabilities** into Gulf economies.

The result is a liquidity split: Gulf capital rotates between U.S. safe assets and Chinese projects, while trade corridors and technology standards become contested terrain.

China vs. U.S. Strategy in MENA

Dimension	China	U.S.
Trade	▪ Belt & Road corridors ▪ Oil-for-loans pacts ▪ Non-dollar settlements	▪ Military + trade aid links ▪ USD settlement dominance ▪ Counter-corridor initiatives
Finance	▪ BRICS capital pools ▪ New development banks ▪ Alternative liquidity channels	▪ Gulf reinvestment cycles ▪ Appetite for USD debt ▪ Basel III compliance
Security	▪ Arms sales to Iran & partners ▪ Non-interference doctrine ▪ Selective defense partnerships	▪ Defense guarantees + bases ▪ Naval hub protection ▪ Conflict engagement (Iraq, Syria, Yemen)
Technology	▪ 5G deployments ▪ Smart city systems ▪ Digital currency pilots	▪ AI & cybersecurity investments ▪ Regulatory standards ▪ Counter-Huawei drive

Liquidity split is mounting pressures on the FX lifelines.

Capital Flight

Conflict escalations and global rate cycles push investors toward safer jurisdictions, raising refinancing costs for Egypt and compressing liquidity in GCC markets.

Tourism Volatility

Security perceptions and dollar strength dampen inflows, especially in Egypt and mid market GCC segments. Even Saudi Arabia's Vision 2030 tourism ambitions face sensitivity to global cycles.

Corridor Fragility

Red Sea reroutes reduce Suez Canal revenues (~$8B annually), Mediterranean pipelines face EU regulatory tightening, and Gulf logistics absorb volume but at higher cost.

Oil price Suppression

Global inflation management caps hydrocarbon revenues, squeezing fiscal space and forcing project reprioritization across GCC mega projects.

Economy Dynamics Under Pressure

FX lifelines and vulnerabilities by market

Saudi Arabia

Diversification gains are visible in non oil exports, but oil suppression and capital goods import dependence constrain liquidity. Sovereign buffers remain strong, yet project phasing is increasingly disciplined

UAE

FDI inflows and re export strength make the UAE resilient, but corridor costs and global rate cycles expose liquidity. Selectivity in capital inflows is rising, with investors favoring sovereign aligned projects

Egypt

FX buffers hinge on remittances, tourism, and Suez revenues. Corridor disruptions and dollar strength make Egypt's liquidity highly volatile, with reforms providing temporary relief but not structural insulation.

Iran

Sanction constrained, reliant on eastward corridors with China and Russia. Proxy conflicts amplify uncertainty, bifurcating liquidity channels away from Western systems and embedding volatility into regional flows

Algeria

EU dependent energy corridor defines Algeria's FX profile. Regulatory tightening or demand shocks directly impact fiscal balances, leaving little room for diversification buffers

Israel

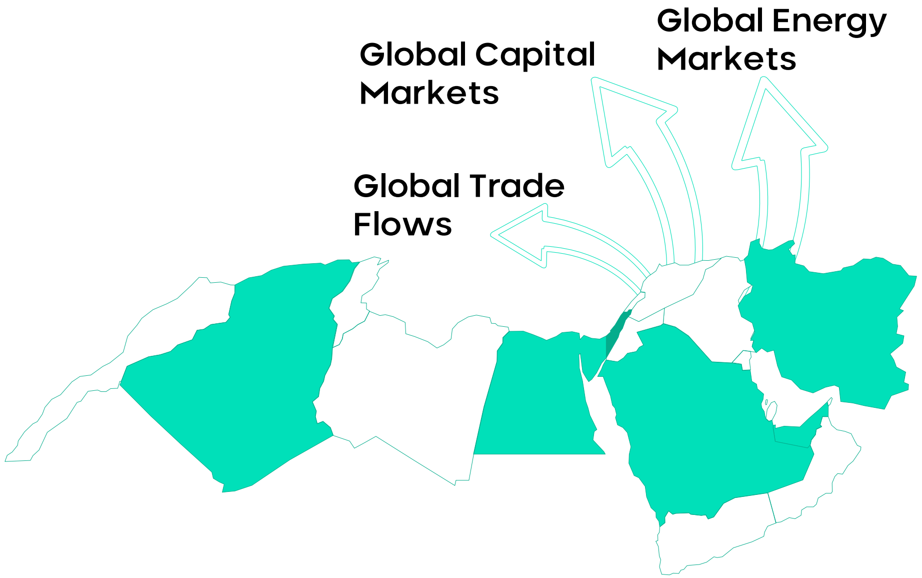
Technology exports sustain robust FDI inflows, but geopolitical instability elevates risk premiums and disrupts cooperation. Israel's role is paradoxical: a contributor to MENA GDP and simultaneously an amplifier of volatility

Comparative Table – FX Lifelines, Vulnerabilities, Resilience

Market	FX Lifelines	Vulnerabilities	Resilience Factors
Saudi Arabia	Oil exports, FDI, Remittances	Oil price volatility, fiscal dependence	Large reserves, Vision 2030 diversification
UAE	Tourism, FDI, Corridors	Exposure to global travel shocks, reliance on Western finance	Corridor cost pass-through; global logistics/aviation costs; USD liquidity reliance
Egypt	Remittances, Tourism, Aid	High debt, currency depreciation	Gulf capital inflows, Suez Canal revenues
Iran	Corridors, Oil (sanctioned), Remittances	Sanctions, isolation from USD system	China/BRICS alignment, domestic production
Algeria	Gas exports, Remittances	Dependence on EU demand, limited diversification	Energy reserves, BRICS tilt
Israel	Tech FDI, Tourism	Regional instability, security costs	Strong tech sector, U.S. guarantees

MENA's horizon is one of contested influence and pressured liquidity. The 5+1 economies face divergent but interconnected risks: oil suppression in GCC, corridor fragility in Egypt and Algeria, sanction constraints in Iran, and geopolitical instability in Israel. Together, they illustrate how the region's majority lens is both the recipient and transmitter of global volatility

The horizon is defined by fragmentation and bifurcation. MENA's majority economies are pulled into competing ecosystems—U.S./EU standards versus China/BRICS corridors. Liquidity is squeezed by capital flight, FX volatility, and corridor fragility. Oil suppression weakens fiscal anchors, while geopolitical instability amplifies risk premiums. The region is not merely exposed to shocks—it is a transmitter of volatility back into global markets, shaping energy prices, trade costs, and investor sentiment worldwide.



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Boardroom Framework

Mapping Futures for MENA Liquidity & Geopolitical Tension

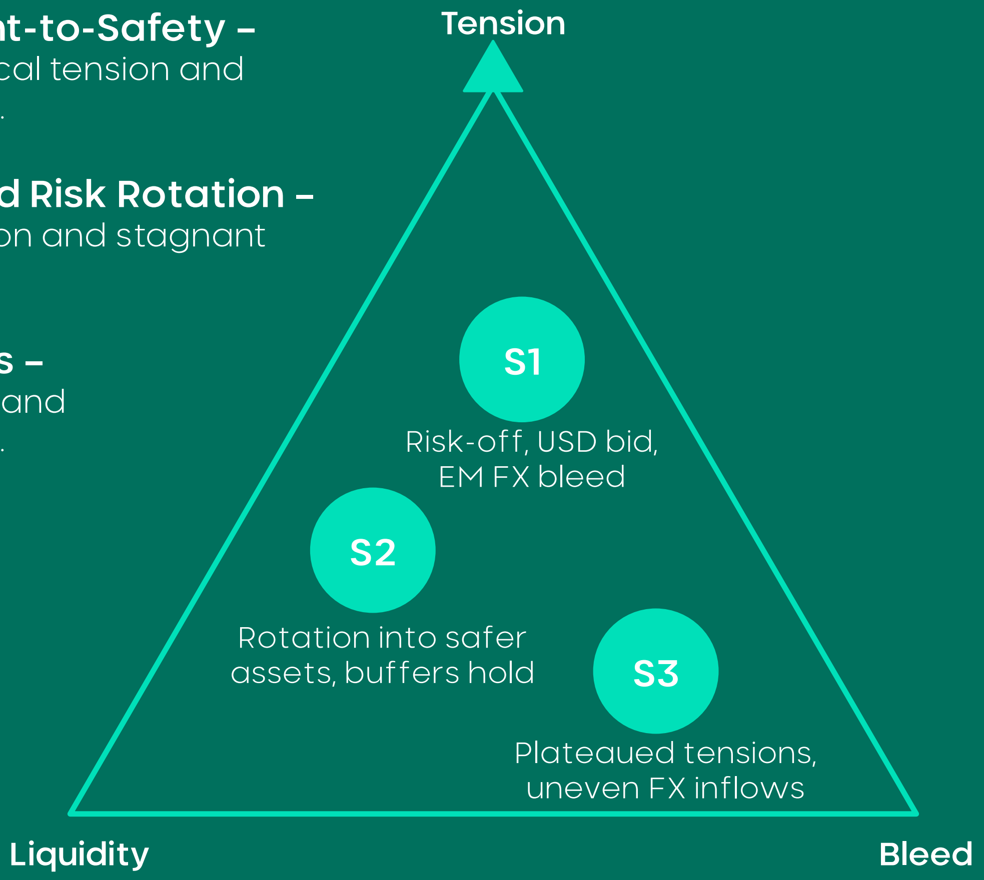
In our previous publication, Getting Ahead of the Next Stage of Economic Disruption, we showed how global rivalry, liquidity fragility, and corridor volatility were converging into a new disruptive stage. That analysis prepared leaders to anticipate disruption before it materialized.

Building on that foundation, Parts I and II of this current paper have demonstrated how MENA has become the bull's eye of global volatility—with concentrated GDP, fragile FX lifelines, and mounting pressures from global rivalry and regional instability.

Scenarios are not forecasts—they are structured narratives that help leaders prepare for uncertainty. In MENA, the interplay of geopolitical tension and liquidity conditions defines the region's trajectory. Drawing from the CVI framework, we frame three pathways:

Each scenario is built on triggers, pathways, and implications, weaving the evidence base into futures that executives must consider

- **S1: Classic Flight-to-Safety –** highest geopolitical tension and liquidity shortage.
- **S2: Fragmented Risk Rotation –** heightened tension and stagnant liquidity.
- **S3: Silent Stress –** stagnant tension and liquidity shortage.



Scenario 1 – Classic Flight to Safety

Escalation of geopolitical conflicts coincides with suppressed oil revenues and capital flight

S1

- Investors rotate aggressively into safe assets (U.S. Treasuries, gold), draining liquidity from MENA.
- FX buffers weaken: Egypt's remittances and tourism falter, Suez revenues decline under reroutes.
- GCC sovereign wealth funds tap reserves but reprioritize mega projects.
- Algeria's energy exports face EU demand volatility, while Iran's eastward corridors remain constrained.

- Liquidity shortage combines with elevated risk premiums.
- Inflation accelerates as imported goods rise in cost; credit lines tighten, leaving businesses and households exposed.
- Purchasing power erodes, and talent flight intensifies as professionals seek stability abroad.
- MENA becomes a transmitter of volatility back into global markets, amplifying energy price swings and trade costs

Scenario 2 – Fragmented Risk Rotation

Geopolitical tension remains heightened but not escalated into systemic conflict; liquidity stagnates as investors rotate selectively

S2

- GCC inflows remain but are increasingly sovereign aligned and yield disciplined.
- Egypt sustains remittances but faces corridor fragility; tourism inflows plateau.
- Algeria's energy exports continue but face regulatory tightening.
- Israel's tech inflows persist, but regional instability raises premiums

- Liquidity is fragmented. Inflation remains moderate but uneven—higher in FX fragile economies like Egypt, lower in GCC hubs.
- Credit lines become selective, favoring sovereign backed projects while SMEs and households face tightening.
- Prices of goods rise unevenly, widening inequality in purchasing power.
- Talent flight is selective: high skilled professionals rotate toward GCC and Western markets, leaving mid tier economies exposed to brain drain.
- Diversification programs slow, but buffers prevent systemic collapse.

Scenario 3 – Silent Stress

Geopolitical tension stagnates—no major escalation, but persistent instability—while liquidity shortages deepen quietly

S3

- Oil suppression continues, eroding GCC fiscal space.
- Egypt's FX buffers weaken under dollar strength and corridor costs.
- Algeria's energy revenues stagnate, with little diversification.
- Iran remains isolated, with eastward corridors insufficient to offset shortages.
- Israel sustains tech exports, but regional instability prevents deeper integration

- Silent erosion of liquidity. Inflation creeps upward, eroding household purchasing power without dramatic shocks.
- Credit lines shrink gradually, leaving businesses under stress and individuals reliant on informal financing.
- Goods become more expensive relative to stagnant wages, widening social discontent.
- Talent flight accelerates quietly, draining mid tier economies of skilled labor.
- Stress accumulates beneath the surface, leaving the region vulnerable to sudden shocks that could tip into systemic crisis.

Comparative Scenario Matrix

Scenario	Geopolitical Tension	Liquidity Condition	Pathway	Hand-Held Economy Implications
S1: Classic Flight-to-Safety	Highest	Shortage	Flight to safe assets, FX buffers weaken	▪ Inflation spike ▪ Credit crunch ▪ Purchasing power collapse ▪ Talent flight
S2: Fragmented Risk Rotation	Heightened	Stagnant	Selective capital rotation, corridor fragility	▪ Uneven inflation ▪ Selective credit ▪ Widening inequality ▪ Selective brain drain
S3: Silent Stress	Stagnant	Shortage	Gradual erosion of FX buffers, reserves tapped	▪ Creeping inflation ▪ Shrinking credit ▪ Silent erosion of purchasing power ▪ Quiet talent drain

MENA's future is defined by the interplay of geopolitical tension and liquidity conditions, but the consequences reach far beyond sovereign balance sheets. Inflation, credit access, purchasing power, and talent flight are the lived realities of the hand held economy. Whether through fight to safety, fragmented rotation, or silent stress, the region's majority economies transmit volatility into the daily lives of businesses and households.

The alarm is clear: volatility reaches households and SMEs. Boards must plan for both sovereign shocks and lived economic consequences

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Strategic Implications and Recommendations

In our previous publication, Getting Ahead of the Next Stage of Economic Disruption, we argued that executives must anticipate disruption before it materializes—by reading the signals of rivalry, liquidity fragility, and corridor volatility.

This current paper extends that logic into MENA, showing how the 5+1 economies sit at the bull's eye of global volatility.

We have mapped the facts and figures (Part I), traced the horizon and pressures (Part II), and crystallized the scenarios (Part III). The implications are now unavoidable: leaders must translate these insights into strategic decisions that address both sovereign level risks and the lived realities of the hand held economy. Part IV is the bridge into the strategy room—where boards must weigh inflation, credit, purchasing power, talent, and investment exposures, and decide how to act.

Report Flow

Scenario Triggers

Pathway

Strategic Implications

Inflation & Cost Management – Protect Margins, Not Just Prices

Inflation in MENA is not only a macroeconomic concern—it is a boardroom challenge. Rising import costs, FX volatility, and suppressed oil revenues translate directly into squeezed margins

BOARDROOM AGENDA

01 – Market

Approve dynamic pricing strategies that protect consumer loyalty while absorbing shocks

02 – Margins

Invest in supply chain hedging and diversification to reduce exposure to sudden cost spikes

03 – Efficiency

Drive operational efficiency through digitization and lean processes, offsetting inflation with productivity gains

04 – Talent

Protect key talent compensation from erosion, ensuring retention even as household purchasing power declines

Credit Access & Liquidity – Keep Businesses Funded

Liquidity pressures are not abstract—they determine whether businesses survive. As global investors rotate away

BOARDROOM AGENDA

01 – Diversify

Diversify financing channels beyond traditional bank credit, tapping regional development funds, blended finance, and private credit vehicles

02 – Allocate

Encourage family offices to allocate capital into regional SME/private credit platforms, creating liquidity for local businesses

03 – Anticipate

Demand scenario based stress tests on credit lines, anticipating tightening under fight to safety conditions

Purchasing Power & Consumer Resilience – Protect the Demand Base

Volatility erodes household resilience, and boards must act to sustain demand

BOARDROOM AGENDA

01 – Stabilize

Stabilize essential goods pricing through supplier partnerships and long term contracts

02 – Approve

Approve wage adjustments and targeted allowances to protect talent from inflation erosion

03 – Invest

Invest in customer engagement ecosystems—digital platforms, loyalty programs, and value added services—to maintain consumer trust even as purchasing power declines

Talent Retention & Mobility – Build Corridors, Not Just Contracts

Talent flight is one of the silent risks in MENA

BOARDROOM AGENDA

01 – Create

Create regional talent corridors that allow skilled professionals to rotate within GCC/MENA rather than exit globally

02 – Approve

Approve long term incentive plans and equity participation to anchor talent in the region

03 – Channel

Channel investment into knowledge industries—tech, ESG, creative sectors—that absorb talent locally

Investment Strategy – Family Offices and Capital Rotation

Family offices in MENA are heavily invested in foreign assets—private equity, structured notes, and large AUM funds. This creates vulnerability when global liquidity shocks transmit back into the region

BOARDROOM AGENDA

01 – Review

Review foreign exposure and reassess risk concentration in structured products

02 – Monitor

Demand transparency on structured notes—counterparty risk, liquidity terms, and stress scenarios

03 – Rebalance

Rebalance portfolios toward regional infrastructure, ESG projects, and SME platforms to build resilience

04 – Calibrate

Align allocations with scenarios.

- ☐ S1 (Fight to Safety): Defensive assets, USD liquidity, gold.
- ☐ S2 (Fragmented Rotation): Sovereign aligned projects, corridor investments.
- ☐ S3 (Silent Stress): Cash discipline, short duration instruments, regional diversification

The boardroom imperative is clear: MENA's volatility is not abstract—it flows directly into inflation, credit, consumer demand, talent, and investment portfolios. Family offices, with their heavy foreign exposure, are both vulnerable and pivotal: their reallocation decisions can either amplify fragility or build resilience.

Sovereign buffers alone are not enough; household purchasing power, SME liquidity, and talent retention are the true anchors of stability. **The strategy room must now think in dual layers: global shocks and local resilience, foreign exposure and regional reinvestment, sovereign defense and household trust.**

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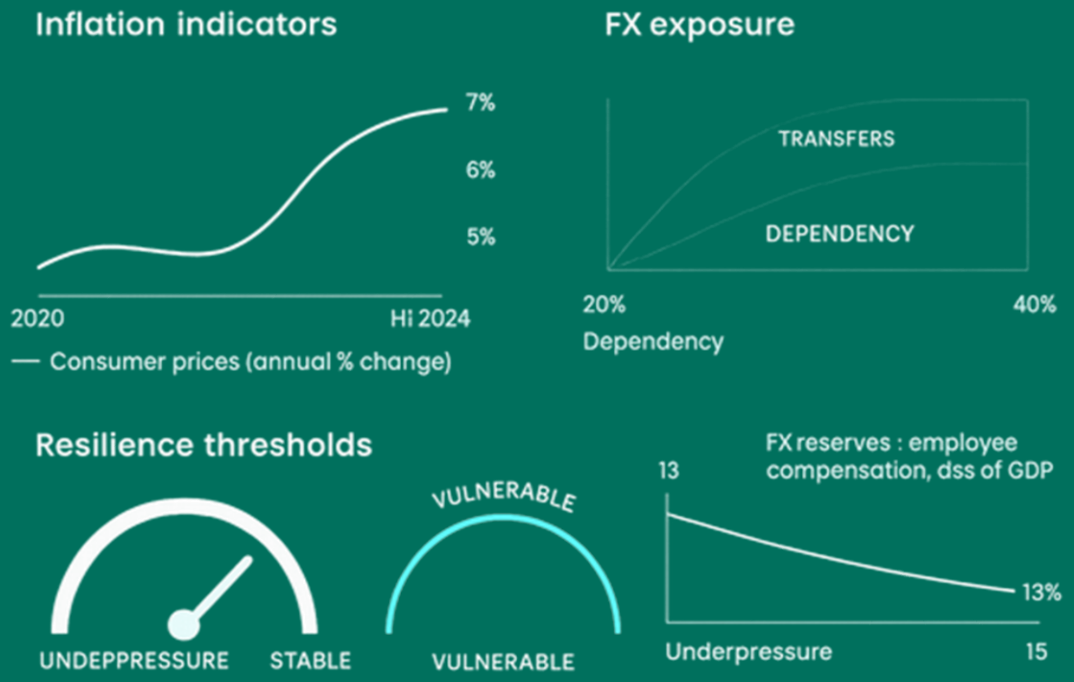
Boardroom Strategy Review Framework

This section opens gates for executives to translate strategic imperatives into boardroom discipline.

It ensures that volatility is not just analyzed but actively managed through clear objectives, defined roles, and accountability structures

Create your Dashboard



Boardroom Agenda

Risk Landscape	Objective	Action	Board Role
Macro Economic Resilience	Anchor against inflation & Liquidity shocks	Review FX exposure, supply chain hedging, and pricing strategies	Approve resilience measures and set thresholds for intervention
Credit & Financing Access	Ensure businesses and households remain funded under volatility	Diversify financing channels (regional funds, private credit, blended finance).	Mandate scenario based stress testing of credit lines.
Consumer & Household Resilience	Protect purchasing power and sustain demand	Stabilize essential goods pricing, approve wage adjustments, and invest in customer engagement ecosystems	Align corporate strategy with social resilience imperatives
Talent Retention & Mobility	Prevent brain drain and build regional talent corridors	Approve long term incentive plans, equity participation, and mobility programs across GCC/MENA	Endorse investment into knowledge industries
Family Office Exposure	Rebalance portfolios to reduce vulnerability to foreign shocks	Review foreign private equity and structured note exposures; reallocate toward regional infrastructure, ESG, and SME platforms	Demand transparency on structured products and scenario-aligned allocations
Scenario Playbooks	Prepare for S1, S2, S3 pathways with clear triggers and responses	Develop contingency playbooks for liquidity defense, selective inflows, and silent stress monitoring	Approve scenario thresholds and escalation protocols

Call to Action – The Strategy Room Agenda is Clear:

01

REVIEW

Review investment exposures — rebalance foreign allocations and build regional resilience

02

ACTIVATE

Activate scenario playbooks — set triggers and escalation protocols for S1, S2, and S3

03

EMBED

Embed accountability — committees and executives must own inflation, credit, consumer, talent, and investment levers

04

THINK

Think in dual layers — global shocks and local resilience, foreign exposure and regional reinvestment, sovereign defense and household trust

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