



Chinese enterprises expand steadily into the Middle East market with heightened confidence





Table of contents

1	Messages from PwC	2
2	Executive summary	4
3	Key findings	5
4	Development status	6
5	Opportunities and challenges	15
6	Expectations and future planning	25
7	Country spotlights	30
8	Survey methodology	39

Message from PwC China

Deepening ties, advancing opportunity

The Middle East is a global hub for shipping and trade, acting as a strategic pivot and cooperative partner in China's Belt and Road Initiative. For years, China has cultivated strong ties with major countries in the region, emerging as the largest trading partner for several and a significant source of foreign direct investment.

Economic diversification across the Middle East is opening new opportunities for Chinese enterprises. The number of Chinese companies investing and operating in the region continues to rise, with many actively preparing to enter the market.

In 2022, PwC published the Report on Chinese Investors' Confidence in the Middle East, the first to survey more than 100 Chinese enterprises operating in the region. It explored their development trajectories, opportunities, challenges, expectations and business strategies.

To continue tracking the progress of Chinese enterprises in the region, PwC China's Inbound Outbound Service team conducted a new survey of over 100 Chinese companies from April to May 2025. This latest publication is part of PwC China's 'Going Global' research series, following previous reports, such as 'Trade and Investment Overview of Ten Middle Eastern Countries' and 'UAE: Economic Transformation Brings Diversified Investment Opportunities'.

The findings reveal growing confidence among Chinese enterprises investing in the Middle East. A larger share plan to enter or expand their presence, and many are approaching the region with greater commercial sophistication.

We hope this report provides useful insights for enterprises operating in the Middle East and for investors looking to venture into this dynamic market. We welcome your thoughts and suggestions to help shape future editions.



Linda Cai
Inbound/Outbound Leader, PwC China

Message from PwC EMEA

Bridging connections, empowering the future

The Middle East stands at the crossroads of global commerce, innovation and transformation. As the region accelerates its journey of economic diversification and deepens its global partnerships, it offers fertile ground for visionary investors seeking long-term value and strategic influence.

Chinese enterprises have emerged as key players in this evolving landscape. Their growing presence across sectors – from energy and infrastructure to digital technology and green innovation – reflects a shared commitment to sustainable development and mutual prosperity. The Belt and Road Initiative has further strengthened these ties, fostering a spirit of collaboration that transcends borders and sectors.

This report aims to capture the pulse of Chinese investment in the Middle East at a pivotal moment. It reflects not only the rising confidence of Chinese businesses in the region but also the maturity of their strategies and the depth of their integration. From the vantage point of the Middle East, we welcome this momentum. We see Chinese investors as partners in progress – bringing expertise, resilience and a global outlook.

We hope this report serves as a bridge – connecting insights with opportunity and ambition with action. To all Chinese investors exploring or expanding in the Middle East: your journey is not only timely but also deeply valued.



Rami Nazer

Clients and Markets Leader, PwC Middle East
PwC EMEA Government & Public Sector Leader

Executive summary

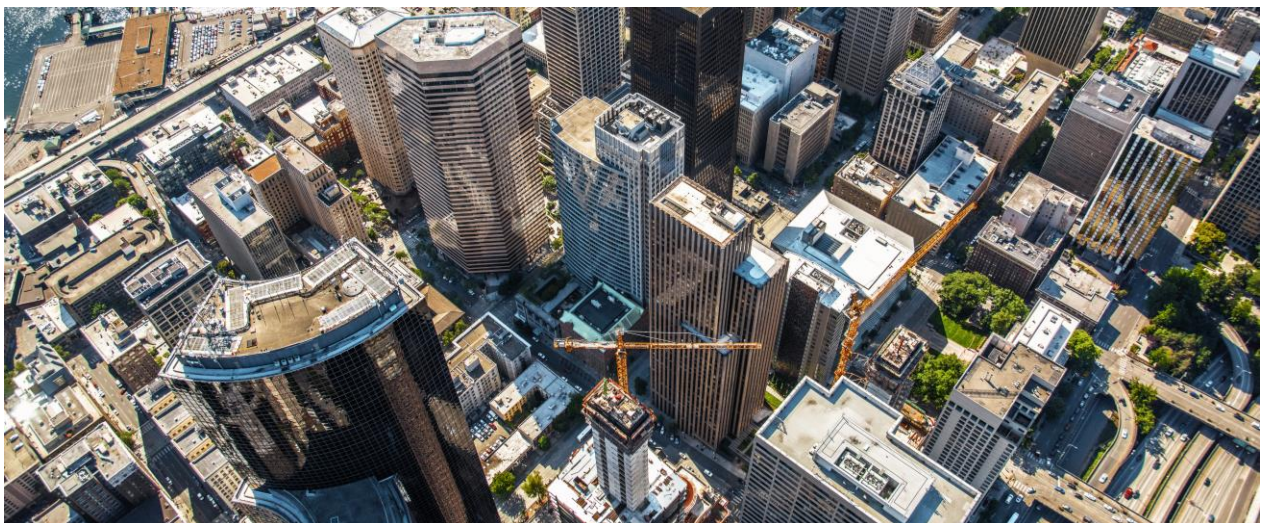
In 2025, China's relationship with the Middle East is shifting gears – from exploration to acceleration. Our latest survey of 136 Chinese enterprises reveals that the region is no longer seen as a frontier, but as a strategic engine of growth. Ambition is rising, strategies are maturing and operations are scaling fast – with nearly 90% of surveyed firms planning to enter or expand their footprint across Middle Eastern markets.

This momentum reflects more than just commercial curiosity. It's driven by rising returns, favourable policy shifts and deepening diplomatic ties. Saudi Arabia and the UAE remain core markets, attracting 84% and 79% of surveyed firms, respectively. Yet it's not just geography that matters – it's the model. Chinese companies are moving beyond representative offices toward full-fledged, revenue-generating operations that anchor long-term value creation.

One in three now earn at least 20% of global revenue from the region – a 43% proportional increase since 2022 – signaling that the Middle East is becoming integral to global growth strategies. This surge is enabled by smoother investment approvals, liberalised sectors and evolving joint venture pathways that give Chinese investors more control and confidence.


As the largest trading partner for many regional economies, China is strengthening its commercial footprint – exporting electronics, motors and machinery while importing oil, gas and mineral products. The Middle East continues to play a pivotal role in China's Belt and Road Initiative – acting as both a logistics bridge and a proving ground for strategic investment. But even as confidence grows, caution remains. Concerns over regulatory clarity and tax stability persist, with over half of respondents urging governments to deliver greater transparency, efficiency and incentives.

Still, the trajectory is clear. As economic diversification gathers pace and China's Belt and Road Initiative deepens its reach, Chinese enterprises are no longer just watching the Middle East – they're actively shaping its next chapter.



Key findings


50% rate the regional business environment as better than other regions, up five percentage points from 2022




86% of Chinese investors in our survey said they plan to enter or deepen market presence in the Middle East



72% are seeking tax incentives outside free zones, while **74%** call for more stable, transparent business policies and efficient governance



44% have formalised business plans for expansion, up seven percentage points from 2022



40% reported profitability from Middle East operations, while the share of loss-making firms dropped to **15%**





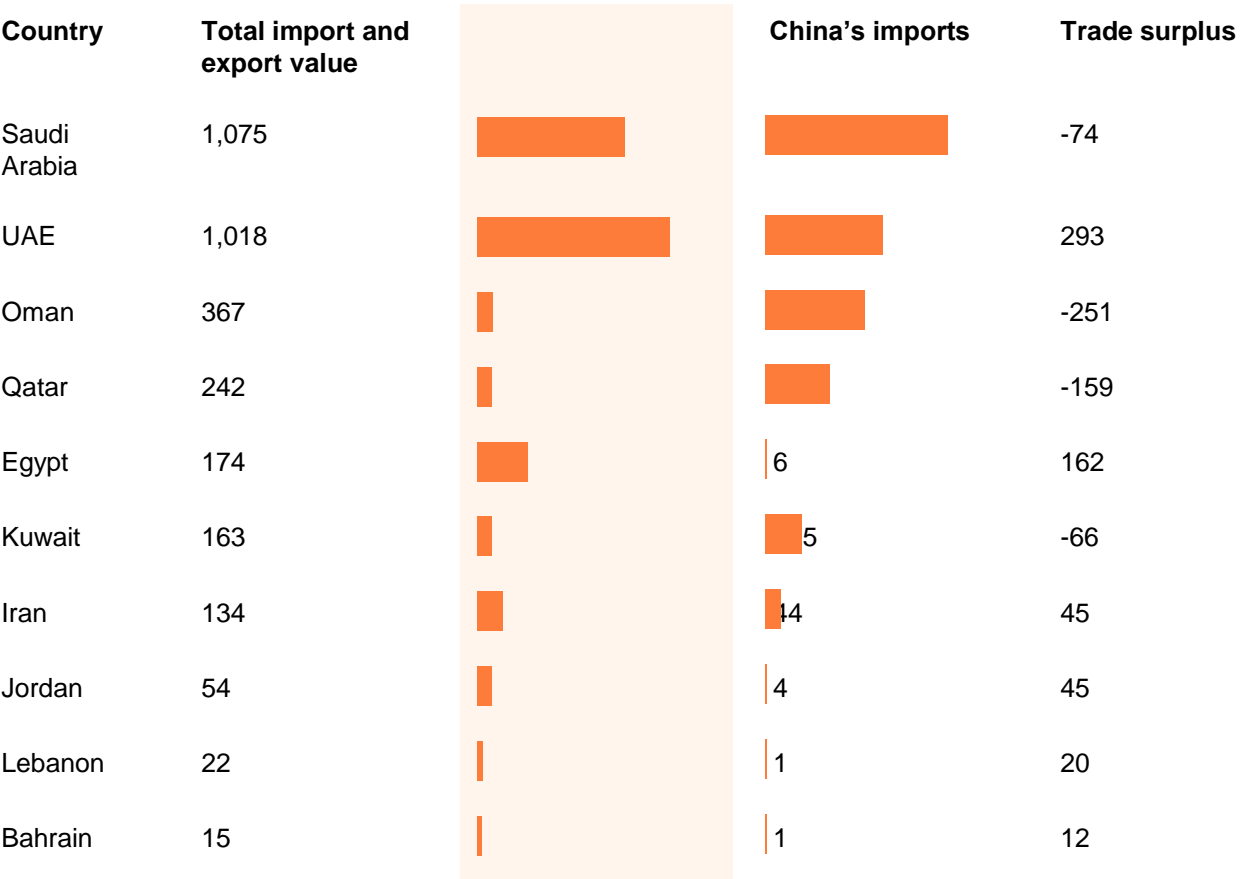
Development
status

01

China deepens investment ties in the Middle East

The Middle East is an important destination for China’s outbound direct investment, with countries like the UAE, Saudi Arabia and Egypt emerging as popular choices for Chinese investors. The UAE has been China’s largest investment destination in the Arab region for several years. In 2023, China’s investment flow into the UAE reached US\$1.78bn, with an investment stock of US\$8.91bn. More than 8,000 Chinese enterprises are currently active in the UAE, expanding local and regional operations. Likewise, Saudi Arabia and Egypt are attractive destinations for Chinese investors.

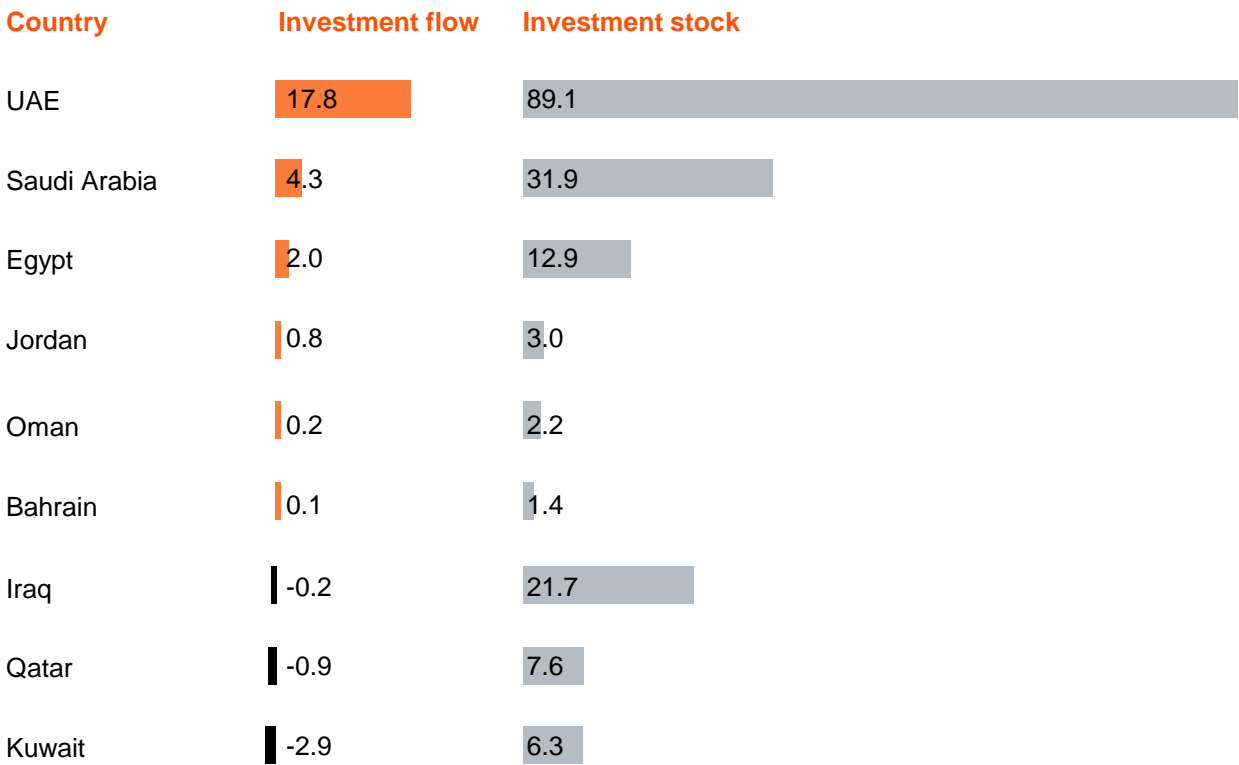
Chart 1: Trade between China and 10 Middle Eastern countries in 2024 (US\$100m)



Note: Because of rounding, the trade surplus value may differ from exports minus imports.
Data Source: General Administration of Customs of the People’s Republic of China

As Middle Eastern countries roll out their economic diversification strategies, China’s investments in the region are transitioning from traditional energy and infrastructure to digital and green economy sectors. In recent years, China has partnered with several Middle Eastern countries on projects in photovoltaics, wind power, civil nuclear energy and hydrogen energy, while steadily deepening ties in emerging fields like space satellites, telecommunications, big data and artificial intelligence.

Chart 2: China’s direct investment in Middle Eastern countries in 2023 (US\$100m)



Note: In 2023, China’s direct investment flow to Lebanon was US\$0, with an investment stock of US\$440,000.

Data Source: Ministry of Commerce of the People’s Republic of China

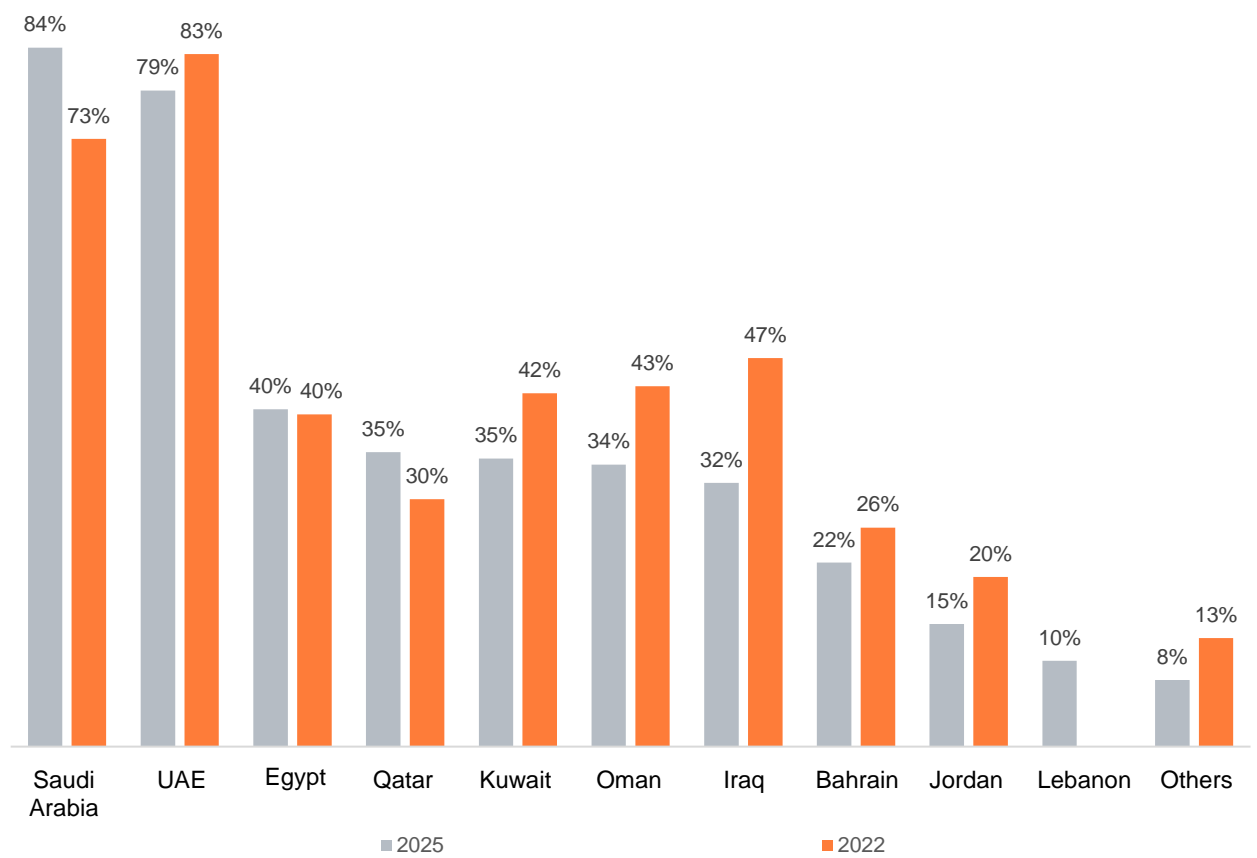


Saudi Arabia and the UAE emerge as top investment destinations

The operational footprint of Chinese enterprises extends across the Middle East, with Saudi Arabia and the UAE emerging as the top investment destinations - hosting 84% and 79% of surveyed companies, respectively. In 2022 PwC conducted a survey to gauge Chinese investor involvement in the Middle East, attractiveness of the Middle East market, challenges and future expectations they are facing and their future business plans.

Compared to the 2022 'Report on Chinese Investors' Confidence in the Middle East' survey, Saudi Arabia is now the leading choice of investors in the region as a result of its markedly larger economy and population. As economic and trade relations between China and Saudi Arabia continue to strengthen, Chinese enterprises are stepping up their investment in the Kingdom. Our survey reveals that 80% of respondents operate in two or more Middle Eastern countries, and nearly 30% are active in five or more simultaneously, signaling a shift toward diversified strategies and multi-market expansion across the region.

Chart 3: Distribution of enterprises' operational or market activities in the Middle East



Note: Lebanon is a newly included country in this survey.

The UAE emerging as most preferred destination for regional headquarters among Chinese enterprises

While over half of our respondents have operated in the Middle East for at least five years and 37% for more than a decade, fewer than 50% have established regional headquarters in the region.

Among those that have, 65% selected the UAE, 40% chose Saudi Arabia and Egypt came in third with 10%. Nearly 90% of respondents maintain a single regional headquarter, while only 8% have set up dual headquarters in the region.

The UAE’s favourable business environment and competitiveness are primary considerations for Chinese enterprises when establishing regional headquarters. According to the World Bank’s 2020 Doing Business ranking of 190 economies, the UAE ranks first in the Middle East and 16th globally. It also makes its way into the global top 10 on four metrics – construction permits, electricity access, property registrations and contract enforcement – including the global top spot for electricity supply. According to the IMD World Competitiveness Yearbook 2024 released by Switzerland’s International Institute for Management Development (IMD) in June 2024, the UAE ranks 7th among 67 economies evaluated.

Chart 4: Establishment of regional headquarters in the Middle East

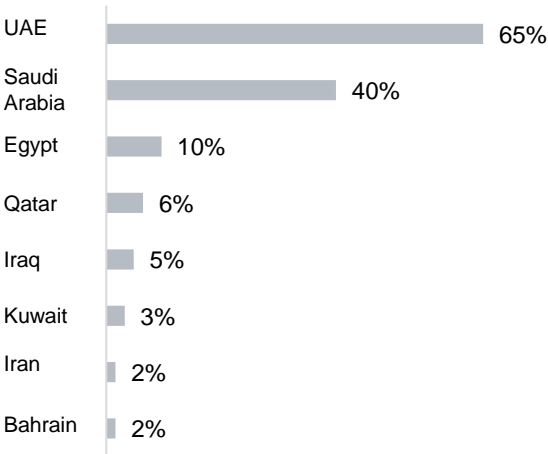
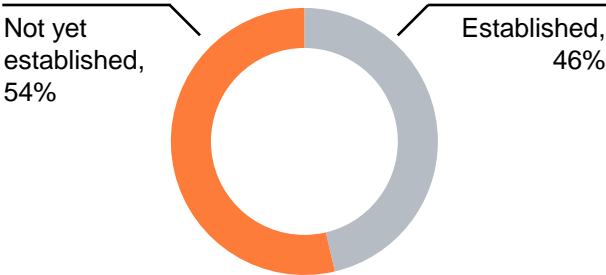
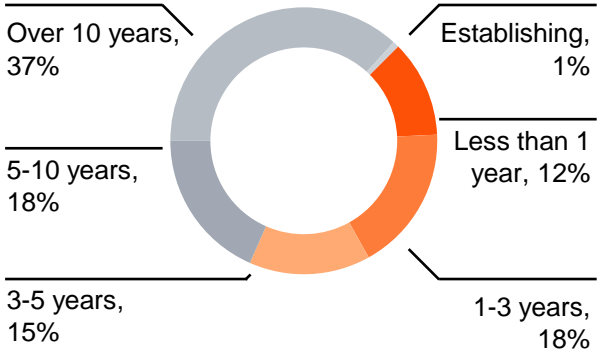


Chart 5: Years of operations in the Middle East

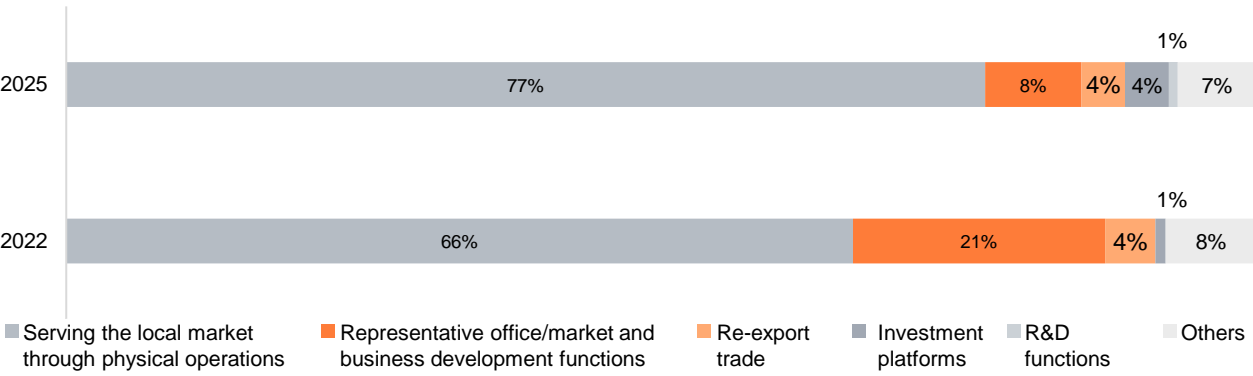


From offices to operations - Middle East gains strategic value

Significant increase in physical operations, sharp decline in representative offices

A notable 77% of respondents now serve the local market through operational entities, up 11 percentage points from 2022, while the share of firms operating through representative offices dropped from 21% to 8%. This clear shift from representative offices to operational entities reflects growing confidence and deeper investment by Chinese enterprises in the Middle East. Re-export trade remains steady at 4%, investment platforms increased slightly by three percentage points to 4% and R&D functions account for just 1% of activity in the region.

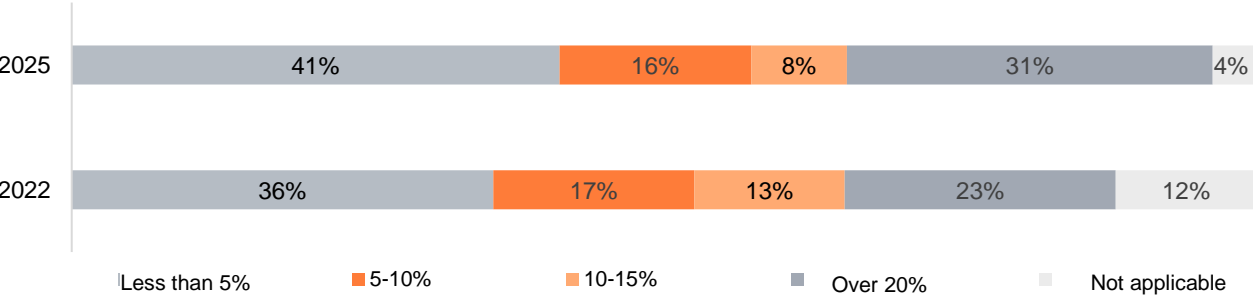
Chart 6: Positioning of primary business



Rising returns highlight region's growing importance

More than 30% of respondents report that revenues from their Middle East operations accounted for 20% or more of total revenue, up eight percentage points from 2022. This reflects that Chinese enterprises are expanding their presence in the Middle East market and reaping positive outcomes, underscoring the region's growing importance to Chinese enterprises. However, 57% of respondents note that their Middle East operations contribute less than 10% to total revenue, suggesting the region's untapped potential for their global expansion efforts. As Middle Eastern countries advance non-oil economies, break up industry monopolies and encourage private-sector investment, the market is witnessing increasingly diverse opportunities.

Chart 7: Share in Overall Revenue from Middle East Operations

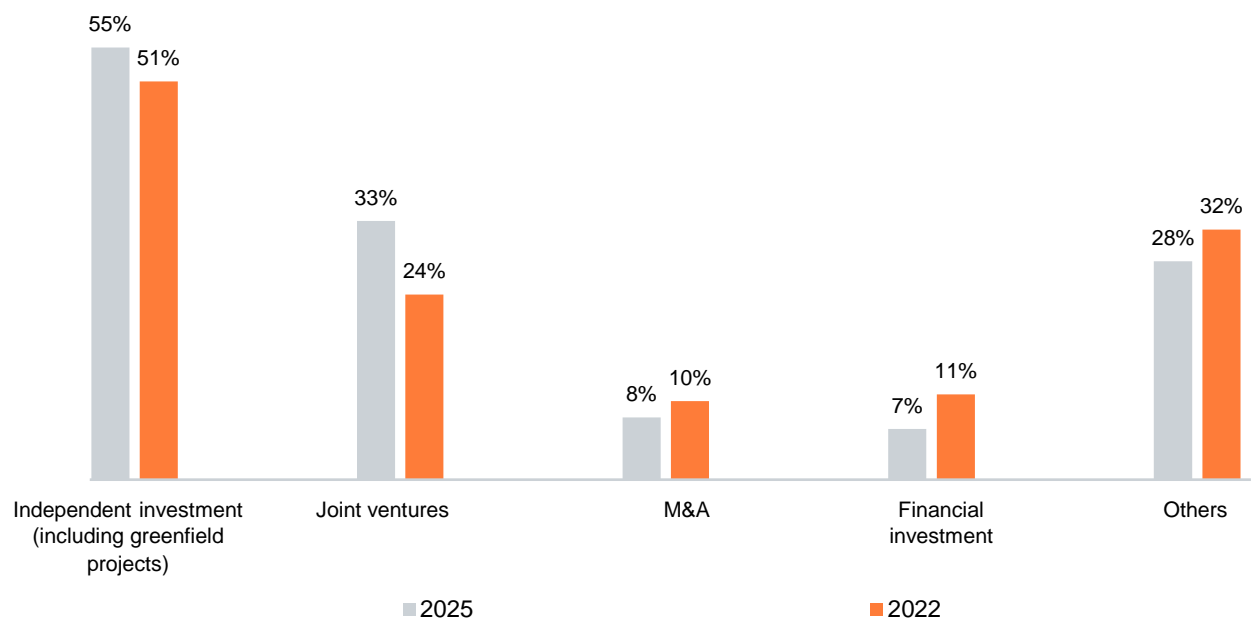


Independent investments and joint ventures remain dominant investment models

Over half of respondents entered the Middle East market through independent investments (including greenfield projects), while 33% formed joint ventures with local business partners. Compared with the 2022 survey, the proportion of enterprises choosing independent investments and joint ventures increased by four and nine percentage points respectively. Several Middle Eastern countries continue to streamline their approval processes for wholly owned and joint venture investments, broadening industry access for foreign investors. Meanwhile, Chinese enterprises’ growing experience in “going global” has led them to favour more controllable investment models, likely driving the increased adoption of independent investment and joint venture cooperation models.

Additionally, 8% and 7% of respondents entered the Middle East market through mergers and acquisitions (M&A) and financial investments respectively. The decline in these methods may stem from a global downturn in M&A activities and stricter scrutiny compared with independent investments or joint ventures. The survey also indicates that 75% of respondents prefer a single investment approach, while 19% use two different approaches.

Chart 8: Primary investment modes

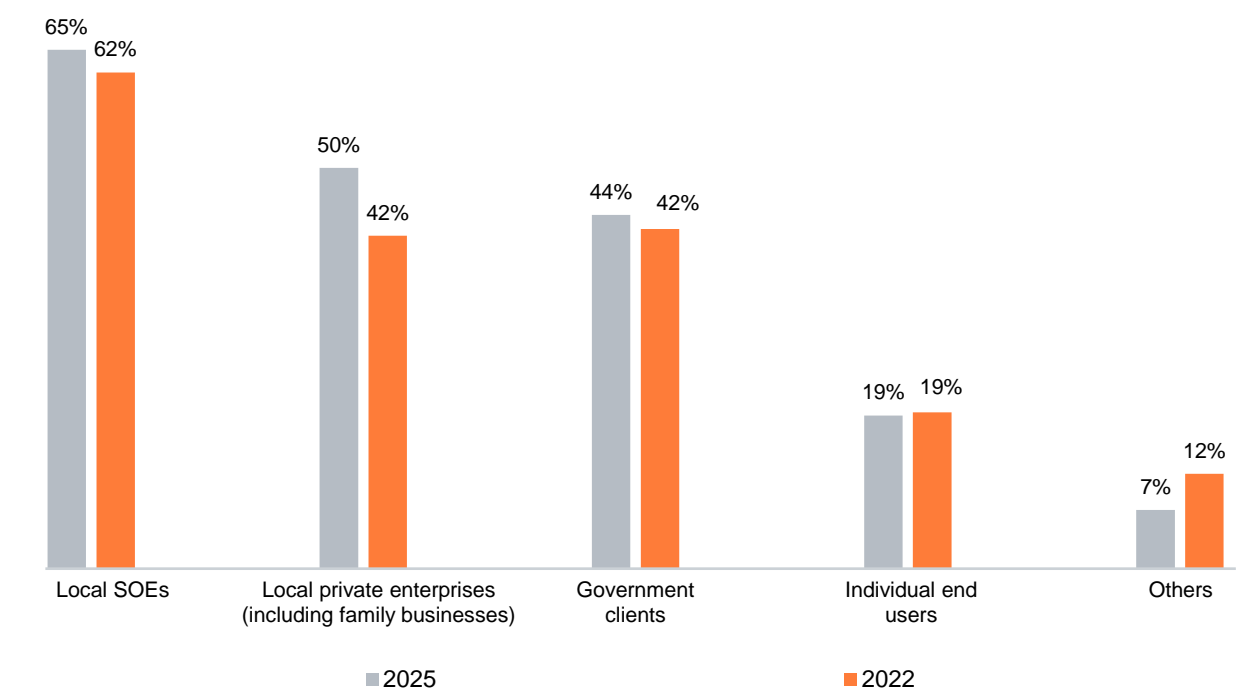


Corporate and government clients lead as end-user business yet to be developed

Sixty-five percent of respondents mainly serve local state-owned enterprises (SOEs), up three percentage points compared to the findings of our 2022 report. Local private enterprises (50%) have overtaken government clients (44%) as the second-largest customer group among respondents, compared to being tied for second in 2022.

This shift reflects how the ongoing economic liberalisation and diversification in the Middle East are driving vigorous growth of the private sector. Only 19% of surveyed enterprises directly serve individual end users, unchanged from 2022, suggesting this segment as a key area of focus for Chinese enterprises going forward. By distribution of clientele, 44% of respondents target a single customer group, 32% serve two and 19% engage with three.

Chart 9: Primary customer groups

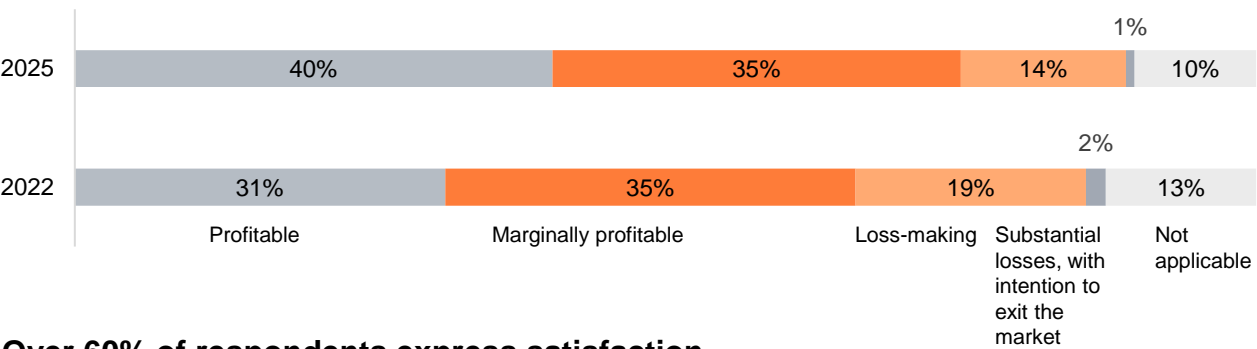


Rising profitability and growing satisfaction among Chinese enterprises

Improved profitability gains and shrinking share of loss-making enterprises

The survey indicates that profitability among respondents operating in the Middle East has significantly improved, up nine percentage points from 2022. Currently, 40% of enterprises – primarily in the industrial manufacturing, infrastructure and traditional energy sectors – report profitability. The share of respondents reporting “marginally profitable” remains unchanged. Those reporting losses of varying degrees account for 15%, down six percentage points from 2022. As major Middle Eastern economies advance on an upward trajectory, Chinese investors are seeing positive financial returns. The stark profit-loss divide in internet and high-tech enterprises reveals their diverse operational capabilities and market complexity.

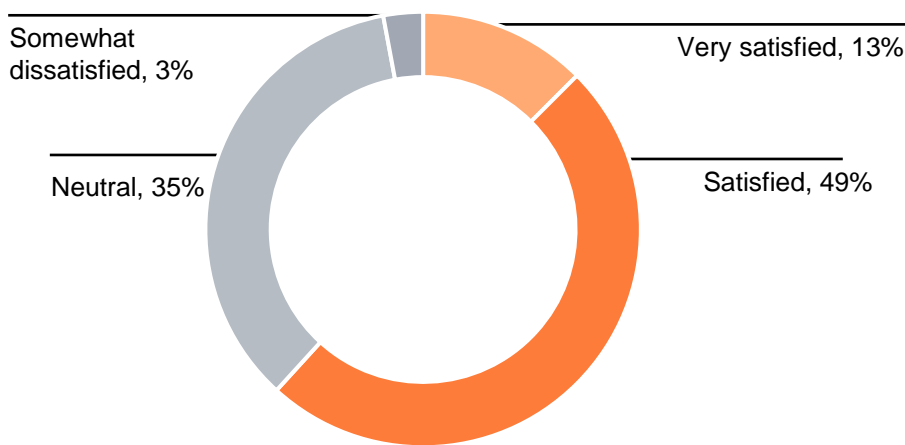
Chart 10: Profitability status



Over 60% of respondents express satisfaction

Over 60% of respondents are satisfied with their investments in the Middle East, including 13% who are highly satisfied. Meanwhile, 35% are neutral and 3% are somewhat dissatisfied. Considering the countries where respondents have operations or market expansion activities, the number of satisfied enterprises is highest in Saudi Arabia (70 enterprises) and the UAE (68 enterprises), owing to great market potential and favourable business environments.

Chart 11: Investment satisfaction





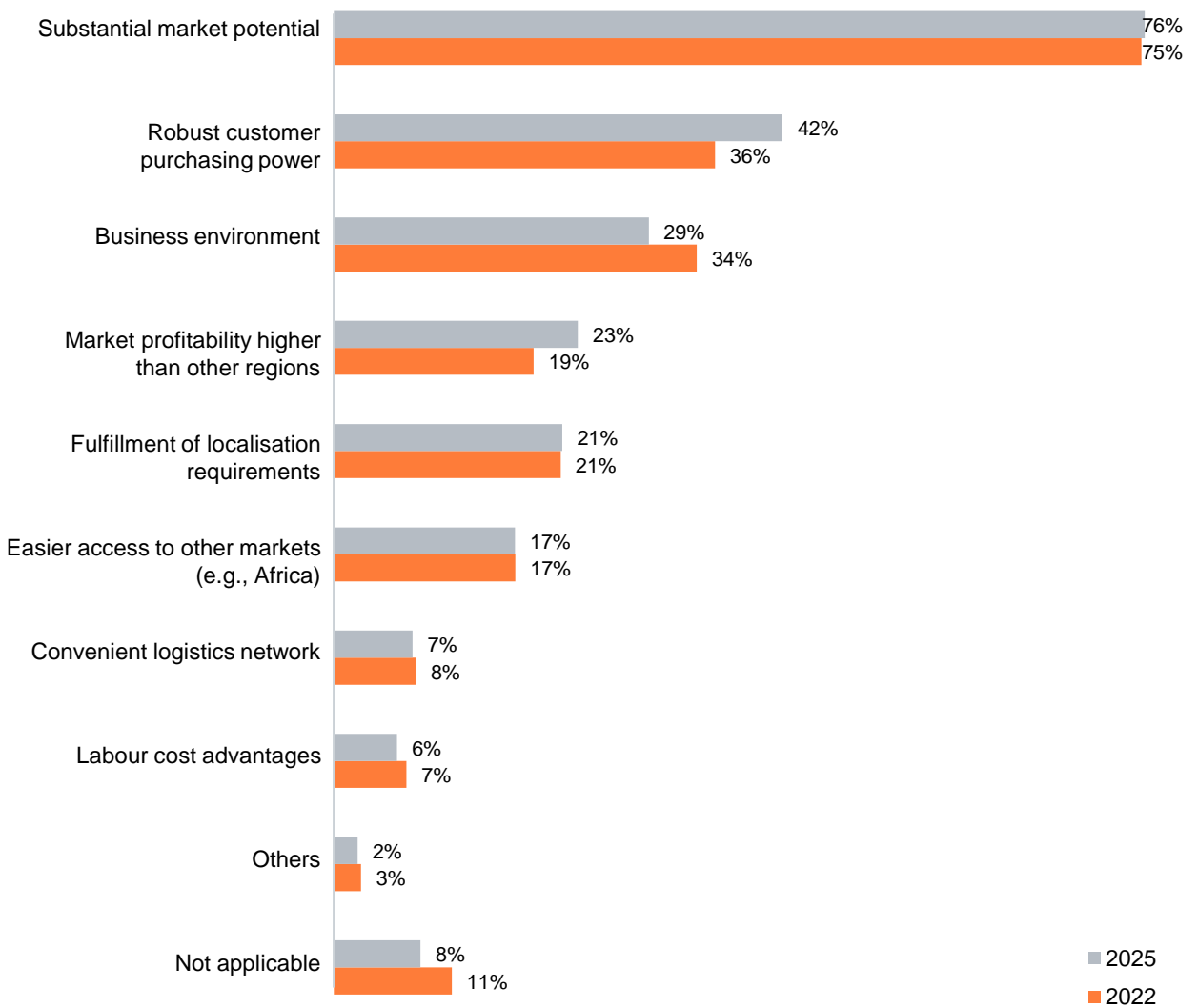
Opportunities and challenges

02

Market potential, customer purchasing power and profitability bolster investor confidence

The survey shows that the primary factors driving Chinese investors into the Middle East market – strong market potential, robust customer purchasing power and higher profitability than other regions – have all seen improvement of varying degrees compared with findings in our 2022 report. In particular, the rise in customer purchasing power and market profitability is noteworthy, up six and four percentage points respectively in the period. In recent years, the region's impressive economic growth, driven by rising corporate profitability and per capita income have further strengthened the performance and confidence of Chinese investors in the region.

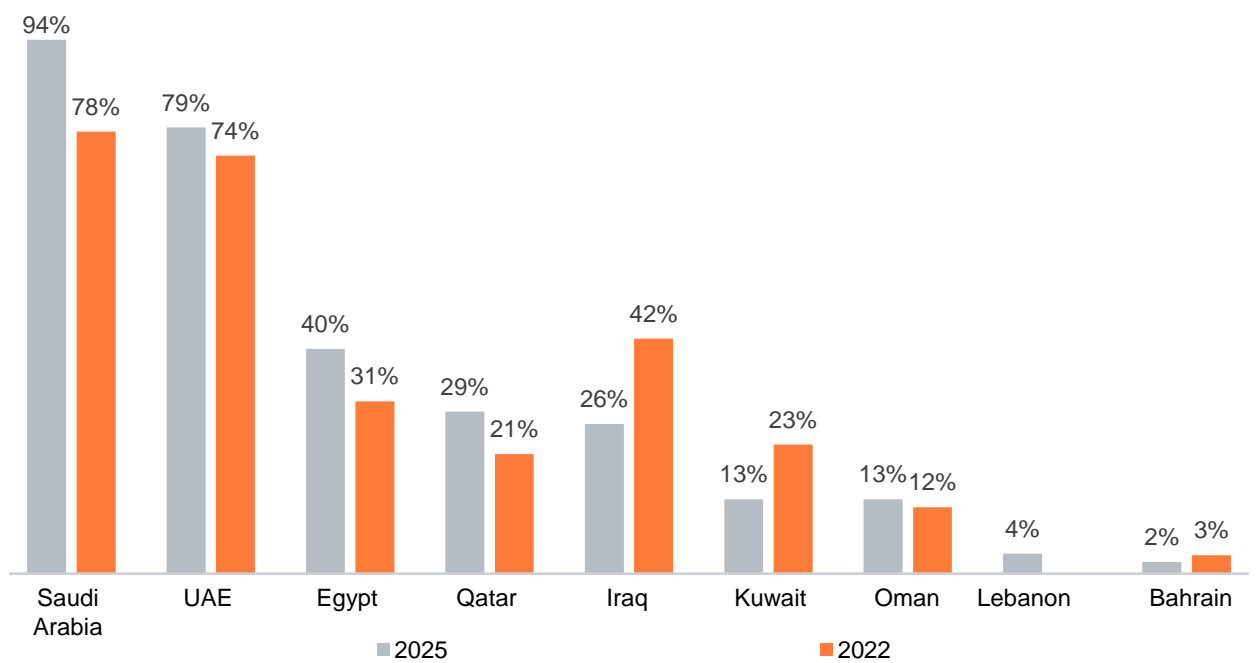
Chart 12: Primary motivations for investment



Saudi Arabia, UAE and Egypt emerge as top markets for Chinese investors across key sectors

In terms of perceived market potential, Saudi Arabia, the UAE and Egypt rank as top destinations for Chinese investors, with selection rates of 94%, 79% and 40% respectively, up 16, five and nine percentage points from 2022. This closely mirrors the geographic distribution of the surveyed firms' operations and regional headquarters in the Middle East. Sector-wise, Saudi Arabia is selected by 97% of infrastructure enterprises, 90% of industrial manufacturers and all surveyed firms in sectors such as internet, new technology, logistics, biopharmaceuticals, telecommunications technology, financial services and retail consumer goods.

Chart 13: Top three countries by market potential



Strong fundamentals drive Middle East market potential

Growth prospects in total economic output, living standards and labour supply most accurately reflect market potential. According to the World Bank, the Middle East and North Africa region posted a total GDP of US\$4.32trn in 2023, with per capita GDP of around US\$8,500. According to the World Bank's classification by per capita Gross National Income (GNI), six of the 10 major Middle Eastern countries – Saudi Arabia, the UAE, Oman, Kuwait, Qatar and Bahrain – are high-income economies (GNI above US\$14,005). As of May 2025, Saudi Arabia's General Authority for Statistics estimates the country's real GDP for 2024 at SAR4.65trn (US\$1.25trn), up 1.8% from 2023. Meanwhile, the UAE's Central Bank forecast in March 2025 projects a 3.9% year-on-year real GDP growth for 2024.

The Middle East and North Africa region is home to about 508m people, accounting for 6.3% of the global population. The workforce in the region totals 164m, or 32.2% of the population. In particular, with a young and growing population of 110m, Egypt offers abundant labour resources to fuel economic growth and is poised to become an important regional market in the future.

Chart 14: Economic overview of ten Middle Eastern countries in 2023

Country	GDP (US\$100m)	Global GDP ranking#	Per capita GDP (USD)	Global per capita GDP ranking
Saudi Arabia	10,676	19	32,094	49
UAE	5,141	27	49,041	29
Egypt	3,960	38	3,457	149
Iraq	2,508	52	5,565	125
Qatar	2,130	55	80,196	11
Kuwait	1,637	58	33,730	43
Oman	1,088	66	21,550	68
Jordan	510	89	4,456	134
Bahrain	461	93	29,219	53
Lebanon*	210	118	3,654	145

Note: *Data for Lebanon are only available through 2022. GDP and per capita GDP rankings are based on countries that have disclosed data for 2023 or 2022.
Data Source: The World Bank

Global institutions forecast strong short-to-medium-term Middle East growth

According to the Middle East and North Africa Economic Update released by the World Bank in April 2025, the real GDP growth rate for the Middle East and North Africa region in 2024 is estimated at 1.9%, similar to 2023. The Global Economic Prospects, released by the World Bank in January 2025, forecasts Middle East GDP growth at 3.4% in 2025 and 4.1% in 2026, outpacing the global forecast of 2.7% for both years.

The International Monetary Fund (IMF) remains optimistic about the Middle East’s economic outlook. Its latest forecasts project the UAE’s economic growth at a range of 3.9%-5% over the next six years, Egypt’s GDP growth accelerating to 5.5% by 2030, and Qatar peaking at 7.9% in 2027. Meanwhile, Saudi Arabia, Oman and Bahrain are expected to average above 3% growth over six years, at 3.3%, 3.7% and 3% respectively.

Chart 15: Economic growth forecasts for major Middle Eastern countries (%)

Country	2025	2026	2027	2028	2029	2030
Saudi Arabia	3.0	3.7	3.6	3.2	3.2	3.3
UAE	4.0	5.0	4.7	4.4	4.3	3.9
Egypt	3.8	4.3	4.8	5.1	5.3	5.5
Iraq	-1.5	1.4	5.5	3.9	4.1	4.1
Qatar	2.4	5.6	7.9	3.5	1.6	3.4
Kuwait	1.9	3.1	2.3	2.2	2.3	2.2
Oman	2.3	3.6	4.4	4.1	3.8	3.8
Jordan	2.6	2.9	3.0	3.0	3.0	3.0
Bahrain	2.8	3.0	3.0	3.0	3.1	3.2

Note: GDP and per capita GDP rankings are based on countries that have disclosed data for 2023 or 2022.
Data Source: The World Bank

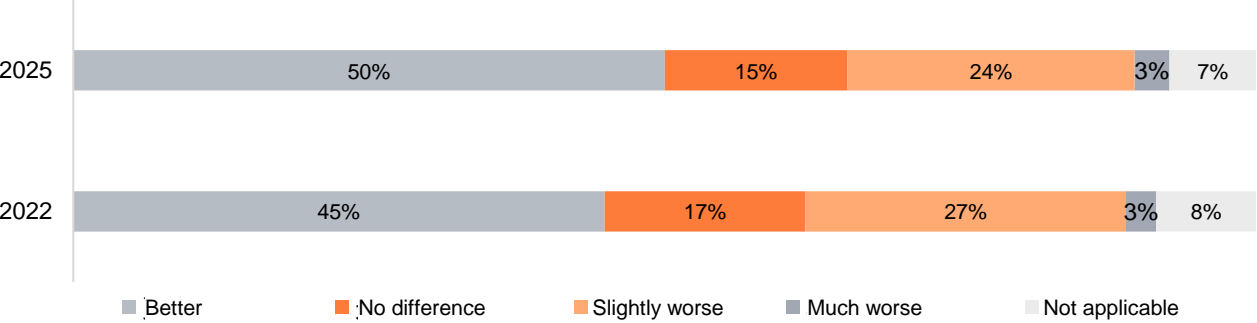
Policy reforms drive improved perception of business environment in the Middle East

Half of the surveyed respondents rate the overall business environment in their host countries in the Middle East as superior to other regions, up five percentage points from 2022, while only 24% view it as slightly worse, down three percentage points. This indicates growing recognition of improvements in the business environment of key economies in the Middle Eastern.

Several countries in the region have taken steps to enhance their business environments through a series of measures to attract foreign capital. In February 2025, Saudi Arabia implemented the new investment law and the Implementing Regulations of the Foreign Investment Law, introducing a new investment registration mechanism and eliminating the former requirement for foreign investors to secure a licence from the Ministry of Investment.

Egypt revised its Investment Law to broaden priority investment areas. In the UAE, amendments to the Commercial Companies Law now allow foreign investors to hold 100% ownership of onshore companies. Kuwait now permits foreign companies to establish branches without a local agent, enabling direct participation in government tenders. To attract global enterprises, Bahrain has also released new regulations granting foreign companies full control in certain sectors. These reforms signal a regional push to create more open, investor-friendly environments.

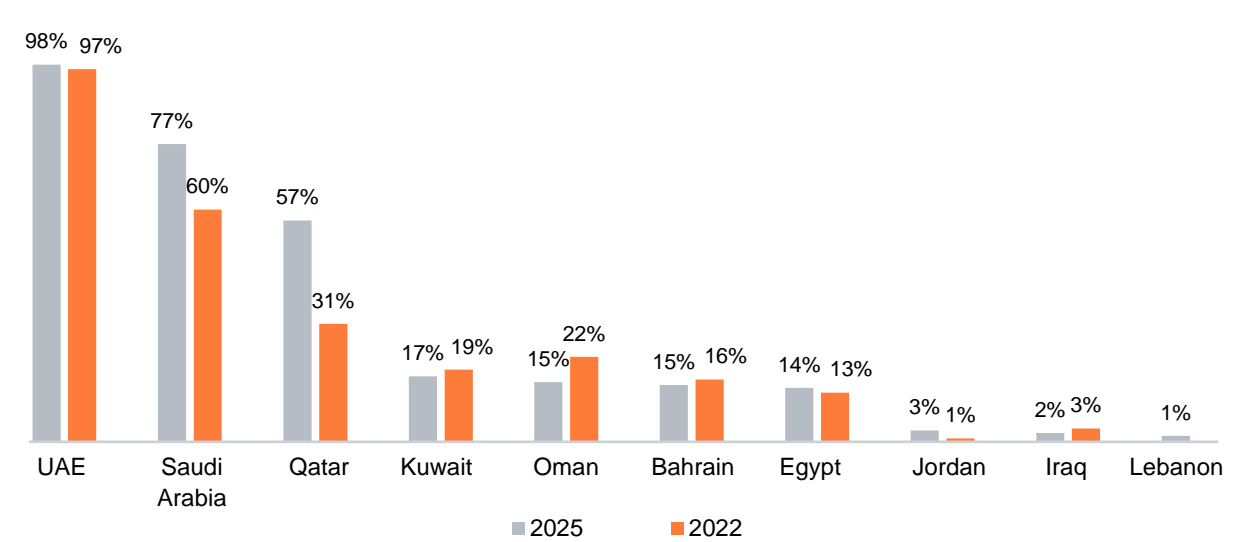
Chart 16: Evaluation of business environments in Middle Eastern countries against other regions



Increased confidence in business environments

Consistent with 2022, the UAE, Saudi Arabia and Qatar remain the top three countries for business environment, as rated by respondents. Nearly all respondents selected the UAE; 77% chose Saudi Arabia, a 17 percentage points rise from 2022; and 57% opted for Qatar, up 26 percentage points.

Chart 17: Top three countries by business environment



Saudi Arabia and the UAE as most recommended investment destinations

Saudi Arabia, driven by its substantial market potential, is the top recommended destination for new investors at 46%. The UAE, recognized for having the best business environment, ranks second at 35%, followed by Kuwait at 6%, Egypt and Iraq at 4% each, and Qatar and Oman at 2% each.

Respondents cited varied reasons for recommending these countries. Saudi Arabia’s top draws are its strong market potential (95%) and robust customer purchasing power (52%); the UAE excels in attracting and retaining global top talent (55%), and its strategic with an advanced logistics network (51%); Kuwait

stands out due to its vast market potential (100%) and notable customer purchasing power (50%); Iraq’s attractiveness lies in its market potential (50%) and competitive labor costs (50%); Egypt is distinctly recognized for its labor cost advantage (100%); Qatar is recommended for its government’s openness to new initiatives (67%), high government efficiency (67%), and labor cost advantages (67%).

Chart 18: Most recommended countries for new investors

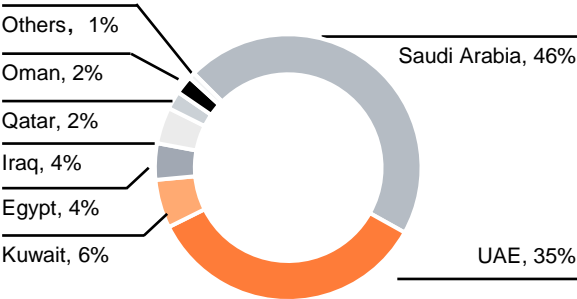
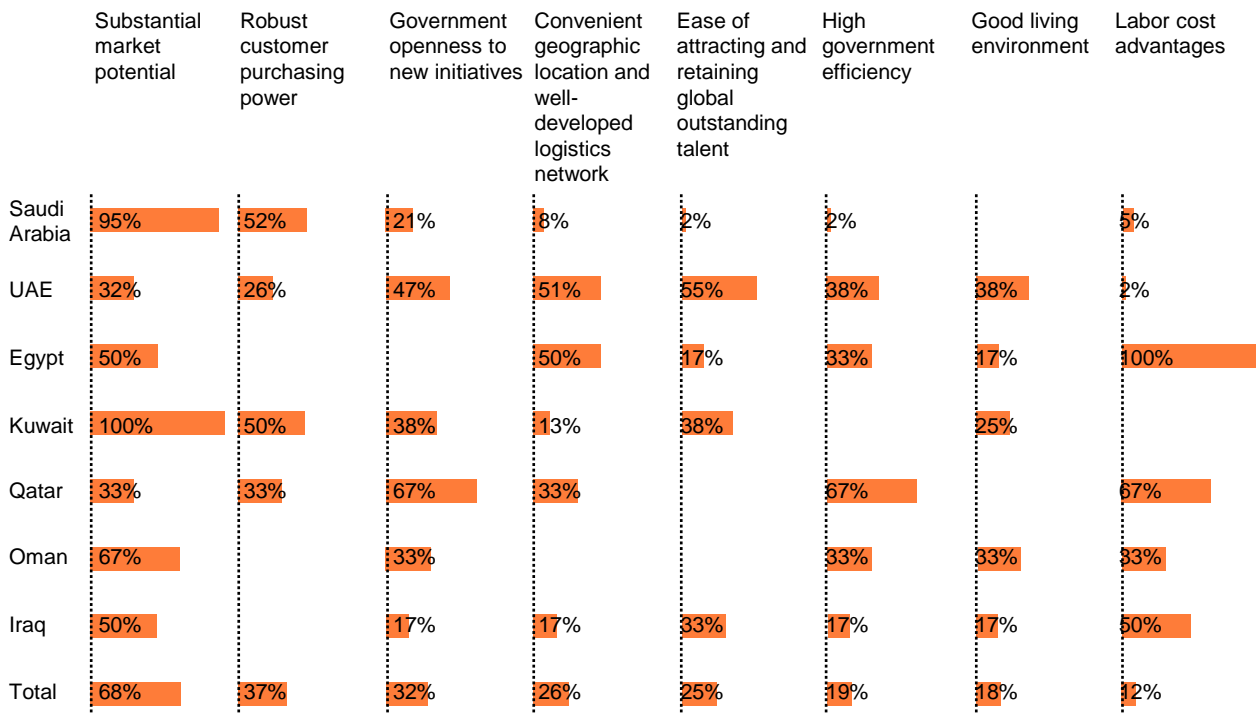


Chart 19: Reasons for recommending the listed countries as investment destinations



Note: Certain options were not selected by any company

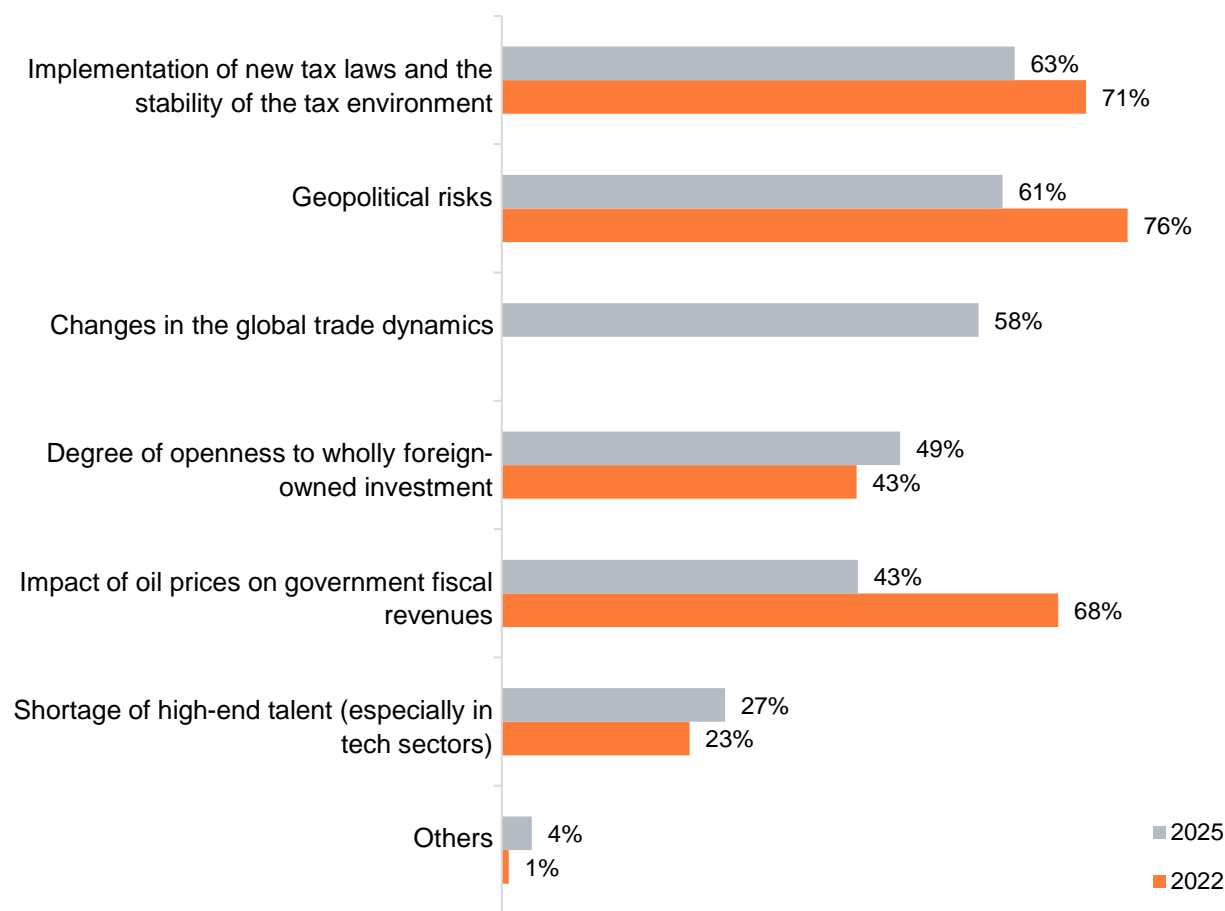
Tax Reforms, non-oil growth and trade shifts reshape investment priorities in the ME

When asked which factor most influences their operations in the Middle East market, 63% of respondents cited the implementation of new tax laws and tax environment stability. In response to the OECD’s global minimum tax reform, Gulf states are phasing in corporate taxes, with the UAE implementing a 9% rate in June 2023, directly affecting corporate investment returns.

Investor concerns over geopolitical risks have significantly decreased, likely because enterprises have adapted to these risks as routine and are better prepared. Oil price volatility also has less impact, largely due to the vigorous development of non-oil economies in Middle Eastern countries in recent years, creating new investment opportunities. In 2023, non-oil sectors in Saudi Arabia accounted for over 50% of GDP for the first time, reaching 53%, with a projected rise to 55% in 2024. Non-oil sectors contributed 74.6% to the UAE’s GDP in the first three quarters of 2024.

Another key factor influencing business decisions is the changing landscape of global trade. This is the third most cited driver - highlighting how ongoing trade frictions are shaping investment strategies in the region.

Chart 20: Factors influencing future corporate development

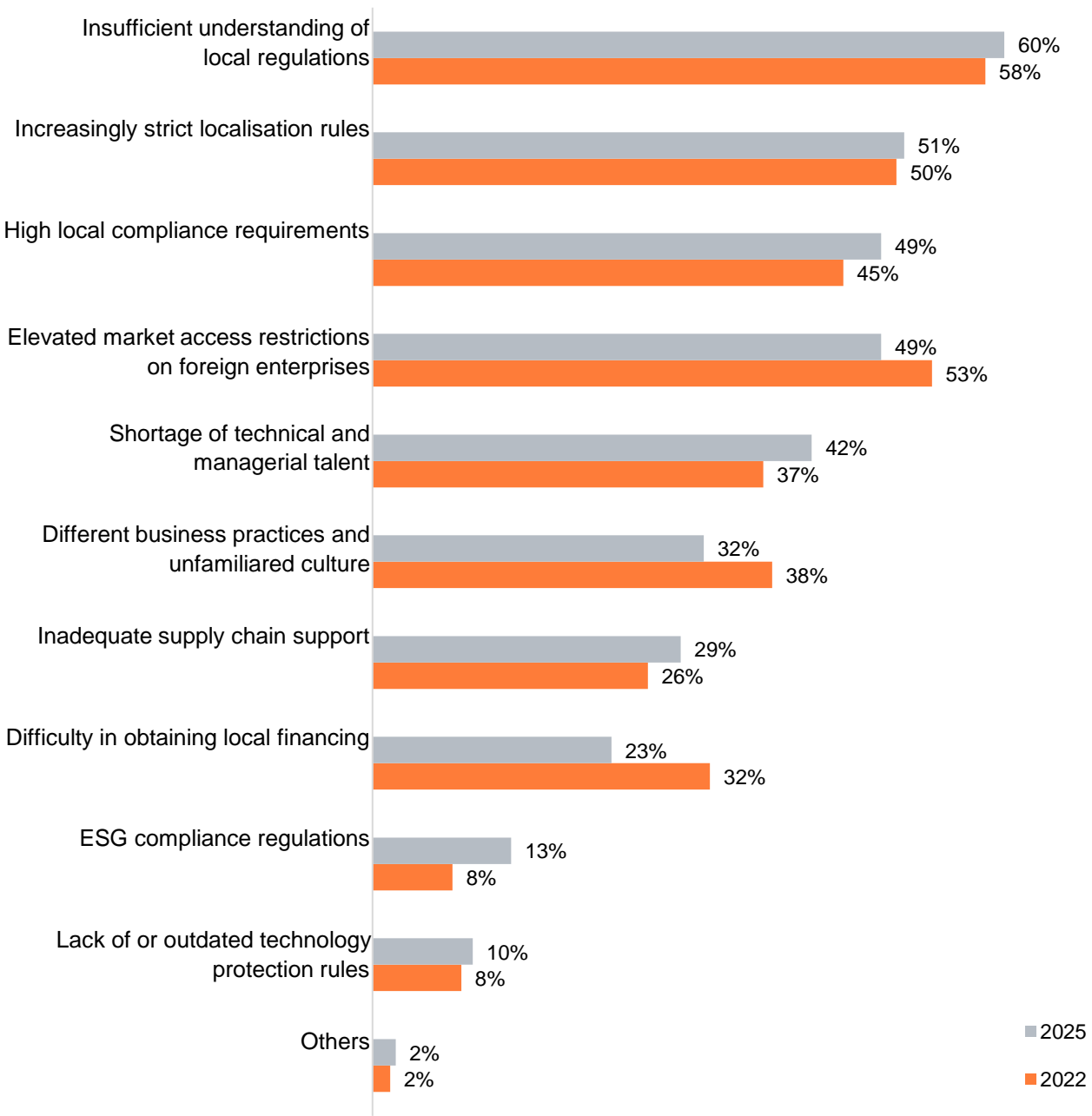


Note: Change in the global trade dynamics is a newly added option in this survey.

Limited understanding of local regulations a key investment challenge in the region

Consistent with 2022 survey findings, insufficient understanding of local regulations (60%) remains the greatest challenge for respondents during investment and post-investment management. Notably, as Middle Eastern countries progressively ease foreign investment restrictions, entry restrictions – previously ranked second in 2022 – slipped to fourth place this year. Moreover, 87% of respondents selected multiple options, highlighting the generally complex and diverse nature of the challenges they face.

Chart 21: Primary challenges during investment and post-investment management





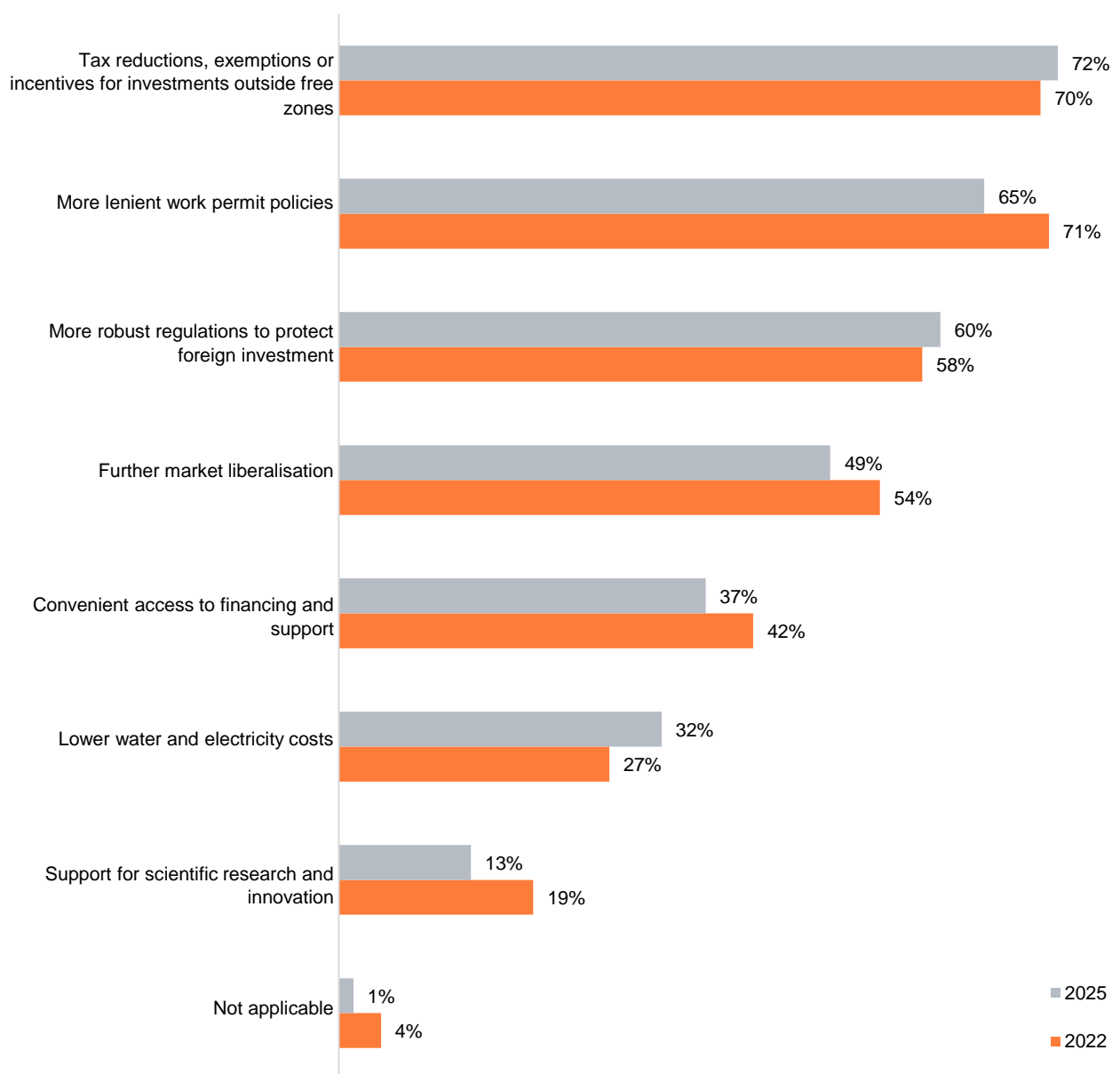
Expectations and future planning

03

Tax incentives top investor priorities amid diverse policy needs

Compared to 2022 results, tax reductions, exemptions or incentives for investments outside free zones (72%) are the most sought-after policy support by respondents, underscoring their aim to directly lower operating costs in the Middle East. As some Middle Eastern countries relax work permit policies, fewer investors selected this option this year. The rankings of the other policy options remain largely unchanged from 2022. In addition, notably nearly 90% chose multiple policy support options, underscoring the diverse needs of investors in the region.

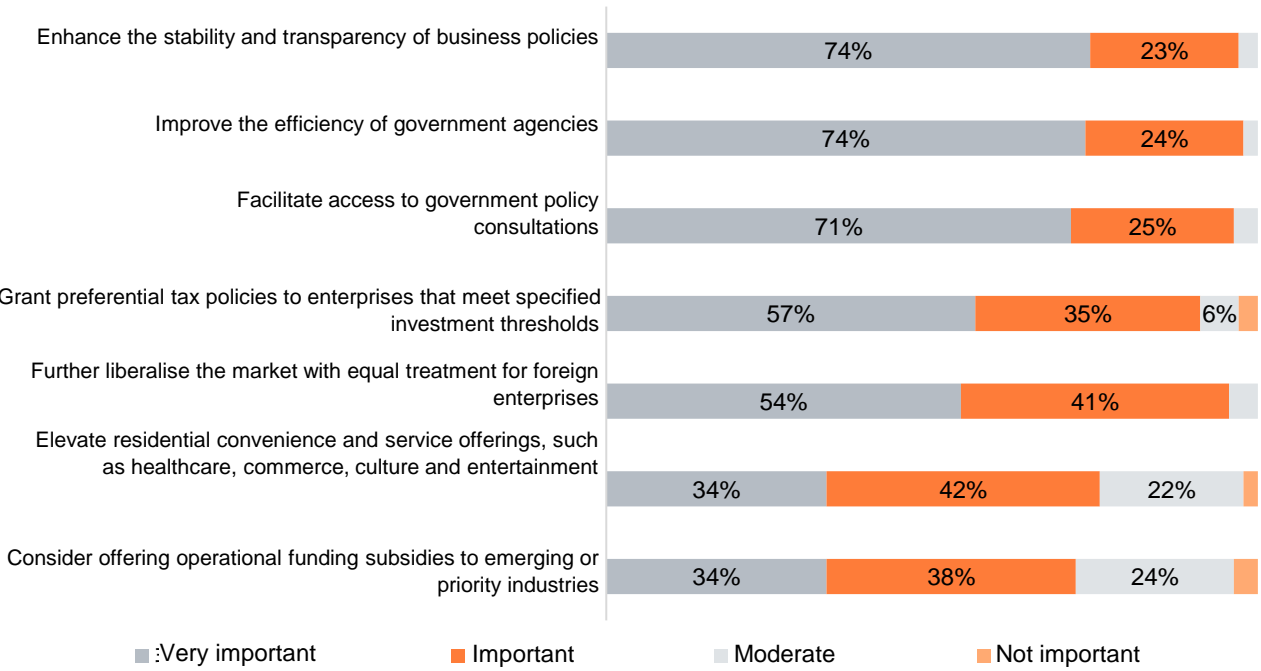
Chart 22: Desired policy support



Transparency, efficiency and market access key to unlocking investment in the region

Stable, transparent business policies and more efficient government services have been identified as top priorities for attracting foreign investment to the Middle East - each cited by 74% of respondents. This is followed by facilitating access to government policy consultations (71%), granting preferential tax policies to enterprises that meet specified investment thresholds (57%) and further liberalising the market with equal treatment for foreign enterprises (54%). These expectations closely mirror the challenges investors face in the region.

Chart 23: Reform measures for attracting foreign investment

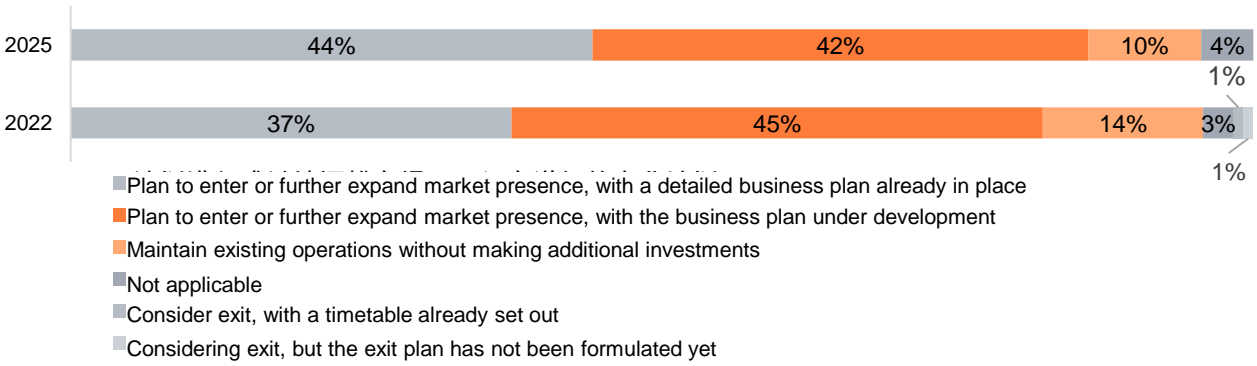


86% of investors plan to enter or deepen market presence in the Middle East

Rising investor confidence is reflected in future business strategies. Unlike in the 2022 survey, when some investors considered exiting the Middle East market, none expressed such intentions in this year’s study.

Furthermore, the share of Chinese investors who have already developed detailed business plans to either enter or further deepen their market presence reached 44%, up seven percentage points from 2022. This signals greater confidence, sophistication and readiness among investors. Meanwhile, those indicating no further investment intentions dropped by four percentage points to 10%.

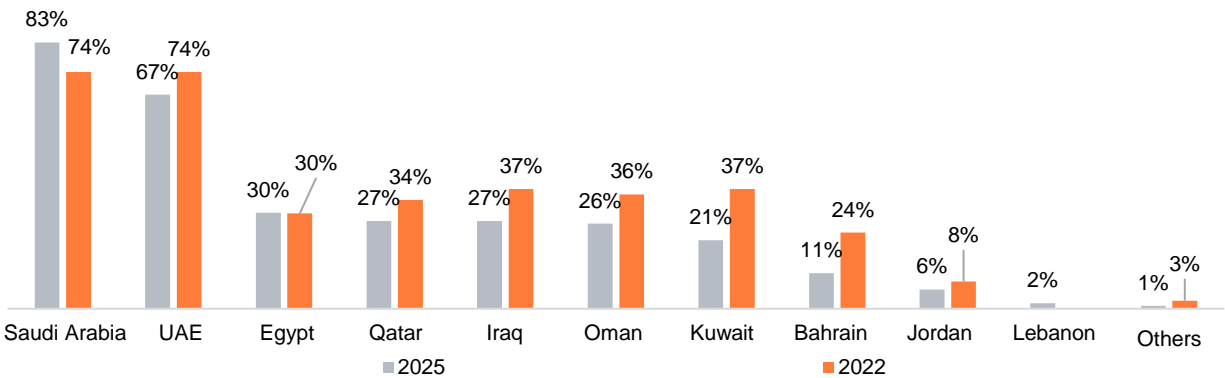
Chart 24: Development intentions for the next 3-5 years



Saudi Arabia and the UAE continue to be major destinations for investment entry and expansion

Further investigation of respondents planning to enter or deepen their market presence shows that Saudi Arabia is the primary investment destination for the next three to five years, accounting for 83%, followed by the UAE at 67%. In 2022, both countries tied for first place at 74%, but this year, Saudi Arabia leads the UAE by 16 percentage points. While the UAE offers a highly developed business landscape where most investors are well established, Saudi Arabia’s rapid growth and larger economy make it even more appealing to investors.

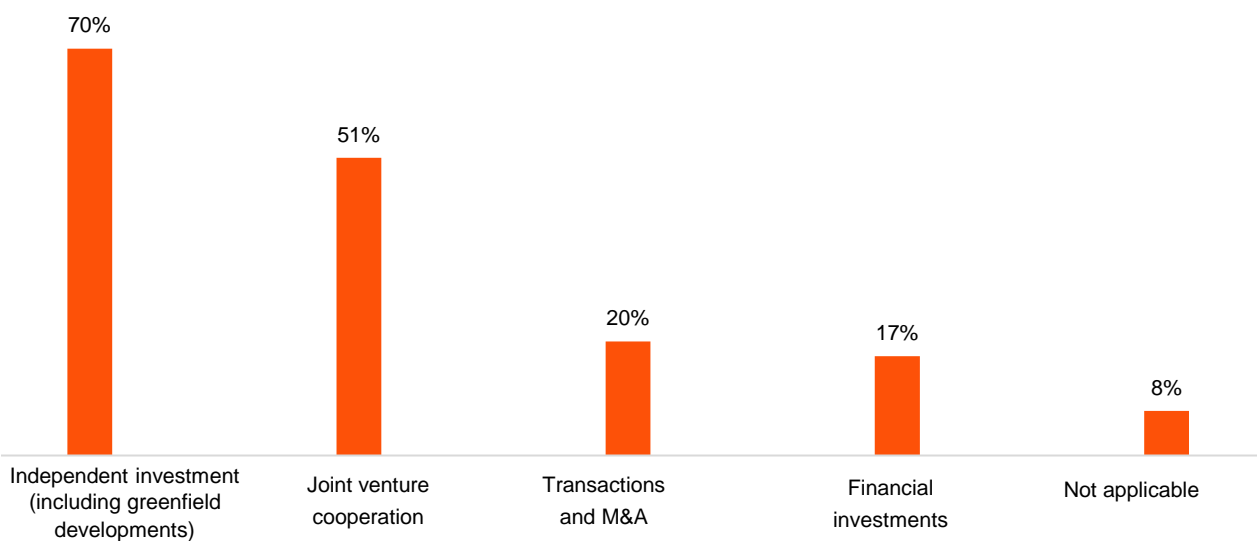
Chart 25: Primary investment destinations for the next 3-5 years



Independent investments and joint venture cooperation viewed as key expansion modes

Further investigation of respondents planning to enter or deepen their market presence shows that their future modes of expansion are largely consistent with their current investment approaches. Independent investments are the most favoured, accounting for 70%, followed by joint venture cooperation (51%), transactions and M&A (20%) and financial investments (17%). Regarding the mix of expansion modes, 50% of respondents stick to one approach, 37% combine two, and just 9% and 3% adopt three and four different approaches respectively.

Chart 26: Preferred modes of expansion





Country spotlights

04

Saudi Arabia



Of the 136 Chinese enterprises surveyed, 114 have operations in Saudi Arabia.

Industry	Revenue Scale		Workforce		Years in operation		
Infrastructure	29.8%	> US\$500m	15.8%	< 50 employees	36.8%	> 10 years	38.6%
Energy	25.4%	US\$100-500m	21.9%	50-100 employees	14.9%	5-10 years	18.4%
Industrial Manufacturing	15.8%	US\$50-100m	18.4%	101-500 employees	21.1%	3-5 years	14.9%
Financial services	5.3%	US\$10-50m	22.8%	501-1,000 employees	7.9%	1-3 years	16.7%
Retail consumer goods	5.3%	< US\$10m	21.1%	> 1,000 employees	19.3%	1 year	10.5%
Others	18.4%					Establishing	0.9%

Development status

Market positioning

- Physical operations with revenue and profit generated (78.9%)
- Representative office/market and business development functions (8.8%)
- Re-export trade (3.5%)
- Investment platforms (2.6%)

Investment mode

- Independent investments, including greenfield developments (55.3%)
- Joint venture cooperation (34.2%)
- Transactions and M&A (8.8%)
- Financial investments (7%)

Status of regional headquarters

- Regional headquarters established (48.2%)
- Regional headquarters established in the UAE (65.5%)
- Regional headquarters established in Saudi Arabia (43.6%)
- Regional headquarters established in Egypt (9.1%)

Profitability

- Profitable (39.5%)
- Marginally profitable (36.8%)
- Loss-making (14.1%)
- Substantial losses, with intention to exit the market (0.9%)

Development plans over the next three to five years

- Plan to enter or further expand market presence, with a detailed business plan already in place (47.4%)
- Plan to enter or further expand market presence, with the business plan under development (41.2%)
- Maintain existing operations without making additional investments (9.6%)
- Top three destination countries for investments: Saudi Arabia (89.1%), the UAE (69.3%) and Egypt (32.7%)

Evaluation of business environment, market potential and government support desired

Investment satisfaction

- Very satisfied (14.9%)
- Satisfied (46.5%)
- Neutral (36%)

Top three Middle Eastern countries by business environment

- UAE (98.2%)
- Saudi Arabia (77.2%)
- Qatar (57.9%)

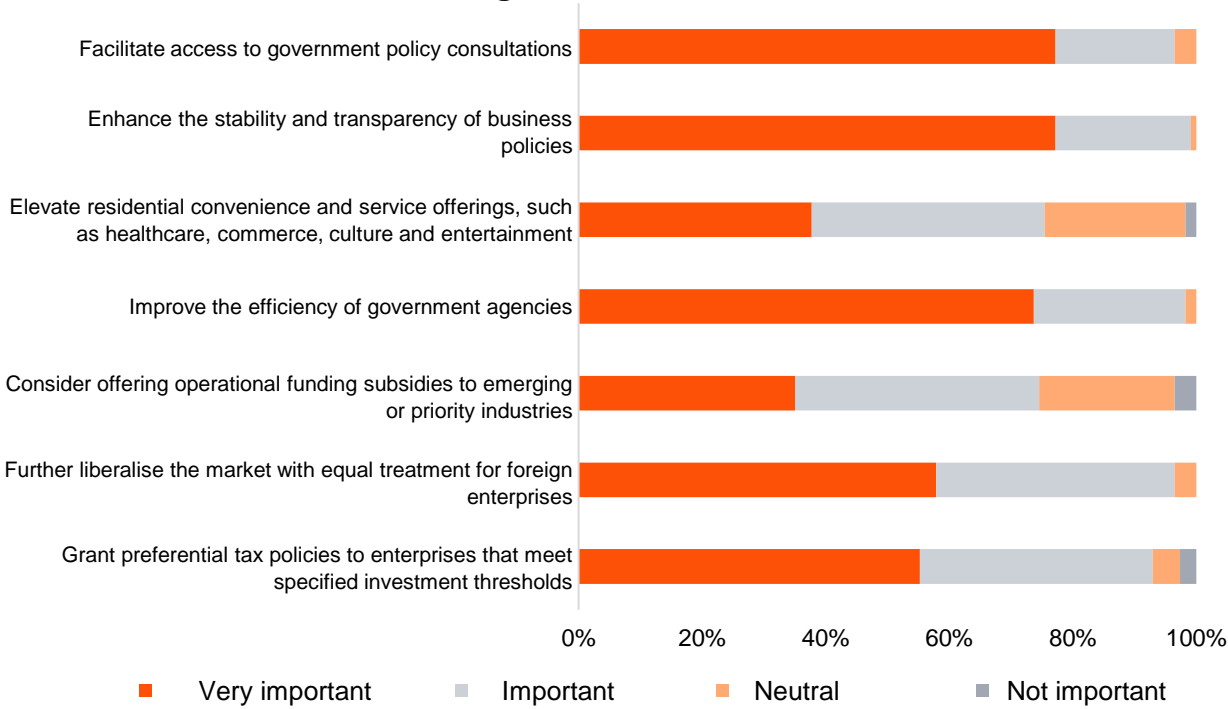
Top three countries by market potential

- Saudi Arabia (95.6%)
- UAE (78.1%)
- Egypt (41.2%)

Top three government support measures desired

- Tax reductions, exemptions or incentives for investments outside free zones (76.3%)
- More lenient work permit policies (69.3%)
- More robust regulations to protect foreign investment (59.6%)

Reform measures to attract foreign investment



Of the 136 Chinese enterprises surveyed, 107 have operations in the UAE.

Industry	Revenue scale		Workforce		Years in operation		
Energy	27.1%	> US\$500m	15%	< 50 employees	47.7%	> 10 years	35.5%
Infrastructure	24.3%	US\$100-500m	22.4%	50-100 employees	11.2%	5-10 years	17.8%
Industrial manufacturing	15%	US\$50-100m	16.8%	101-500 employees	16.8%	3-5 years	15.9%
Financial services	5.6%	US\$10-50m	16.8%	501-1,000 employees	7.5%	1-3 years	17.8%
Internet	4.7%	< US\$10m	29%	> 1,000 employees	16.8%	< 1 year	13.1%
Retail consumer goods	4.7%						
Others	18.7%						

Development status

Market positioning

- Physical operations with revenue and profit generated (74.8%)
- Representative office/market and business development functions (10.3%)
- Re-export trade (4.7%)
- Investment platforms (4%)

Investment mode

- Independent investments, including greenfield developments (55.1%)
- Joint venture cooperation (32.7%)
- Transactions and M&A (9.3%)
- Financial investments (7.5%)

Status of regional headquarters

- Regional headquarters established (47.7%)
- Regional headquarters established in the UAE (74.5%)
- Regional headquarters established in Saudi Arabia (37.3%)
- Regional headquarters established in Egypt (5.9%) and Qatar (5.9%)

Profitability

- Profitable (42.1%)
- Marginally profitable (31.8%)
- Loss-making (15%)

Development plans over the next three to five years

- Plan to enter or further expand market presence, with a detailed business plan already in place (43.9%)
- Plan to enter or further expand market presence, with the business plan under development (43%)
- Maintain existing operations without making additional investments (8.4%)
- Top three destination countries for investments: Saudi Arabia (87.1%), the UAE (76.3%) and Egypt (32.3%)

Evaluation of business environment, market potential and government support desired

Investment satisfaction

- Very satisfied (15%)
- Satisfied (48.6%)
- Neutral (34.6%)

Top three Middle Eastern countries by business environment

- UAE (99.1%)
- Saudi Arabia (77.6%)
- Qatar (62.6%)

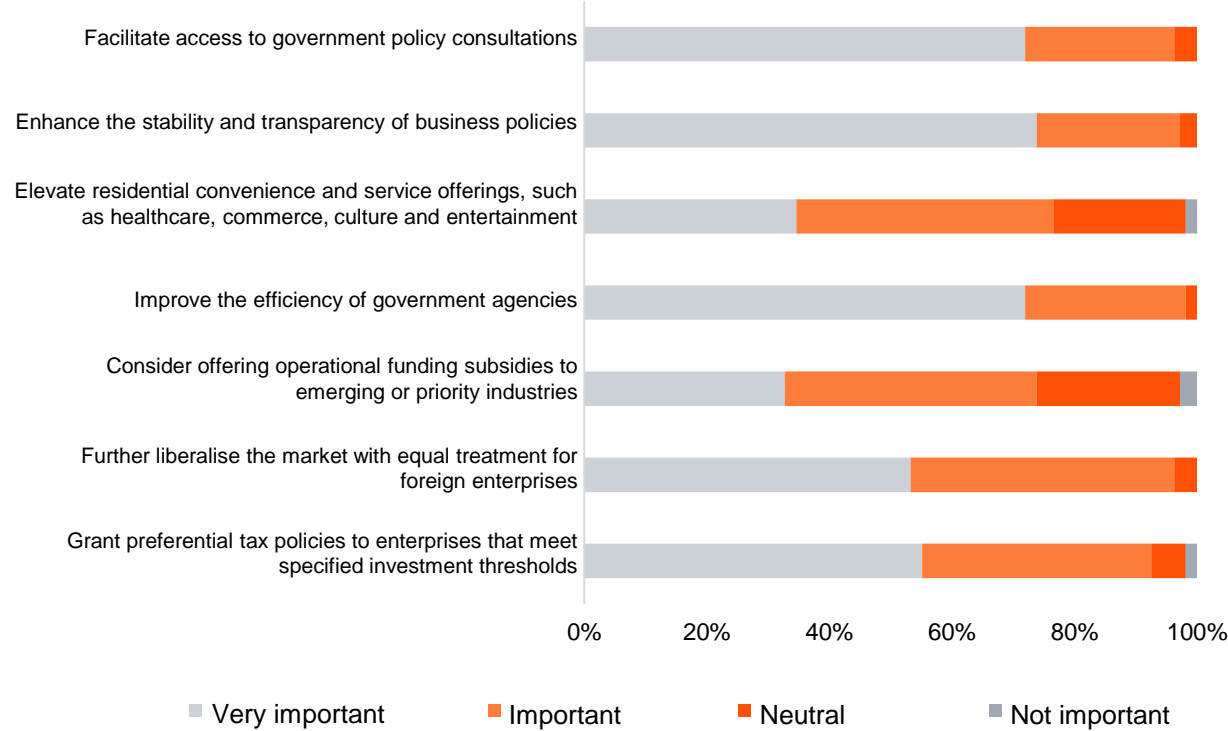
Top three countries by market potential

- Saudi Arabia (95.3%)
- UAE (81.3%)
- Egypt (43%)

Top three government support measures desired

- Tax reductions, exemptions or incentives for investments outside free zones (75.7%)
- More lenient work permit policies (60.7%)
- More robust regulations to protect foreign investment (57.9%)

Reform measures to attract foreign investment





Of the 136 Chinese enterprises surveyed, 48 have operations in Qatar.

Industry	Revenue scale			Workforce		Years in operation	
Infrastructure	31.3%	> US\$500m	27.1%	< 50 employees	37.4%	> 10 years	47.9%
Energy	25%	US\$100-500m	20.8%	50-100 employees	16.7%	5-10 years	14.6%
Industrial Manufacturing	14.6%	US\$50-100m	18.8%	101-500 employees	18.8%	3-5 years	12.5%
Financial services	10.4%	US\$10-50m	14.5%	501-1,000 employees	6.3%	1-3 years	16.7%
Retail consumer goods	6.3%	< US\$10m	18.8%	> 1,000 employees	20.8%	< 1 year	8.3%
Telecommunications	4.2%						
Others	8.2%						

Development status

Market positioning

- Physical operations with revenue and profit generated (68.8%)
- Representative office/market and business development functions (14.6%)
- Re-export trade (4.2%)
- Investment platforms (2.1%)

Investment mode

- Independent investments, including greenfield developments (52.1%)
- Joint venture cooperation (47.9%)
- Transactions and M&A (10.4%)
- Financial investments (10.4%)

Status of regional headquarters

- Regional headquarters established (54.2%)
- Regional headquarters established in the UAE (76.9%)
- Regional headquarters established in Saudi Arabia (42.3%)
- Regional headquarters established in Qatar (15.4%)

Profitability

- Profitable (41.7%)
- Marginally profitable (37.5%)
- Loss-making (10.4%)
- Substantial losses, with intention to exit the market (2.1%)

Development plans over the next three to five years

- Plan to enter or further expand market presence, with a detailed business plan already in place (52.1%)
- Plan to enter or further expand market presence, with the business plan under development (35.4%)
- Maintain existing operations without making additional investments (10.4%)
- Top three destination countries for investments: Saudi Arabia (90.5%), UAE (73.8%) and Qatar (50%)

Evaluation of business environment, market potential and government support desired

Investment satisfaction

- Very satisfied (14.6%)
- Satisfied (47.9%)
- Neutral (31.3%)

Top three Middle Eastern countries by business environment

- UAE (95.8%)
- Saudi Arabia (75%)
- Qatar (68.8%)

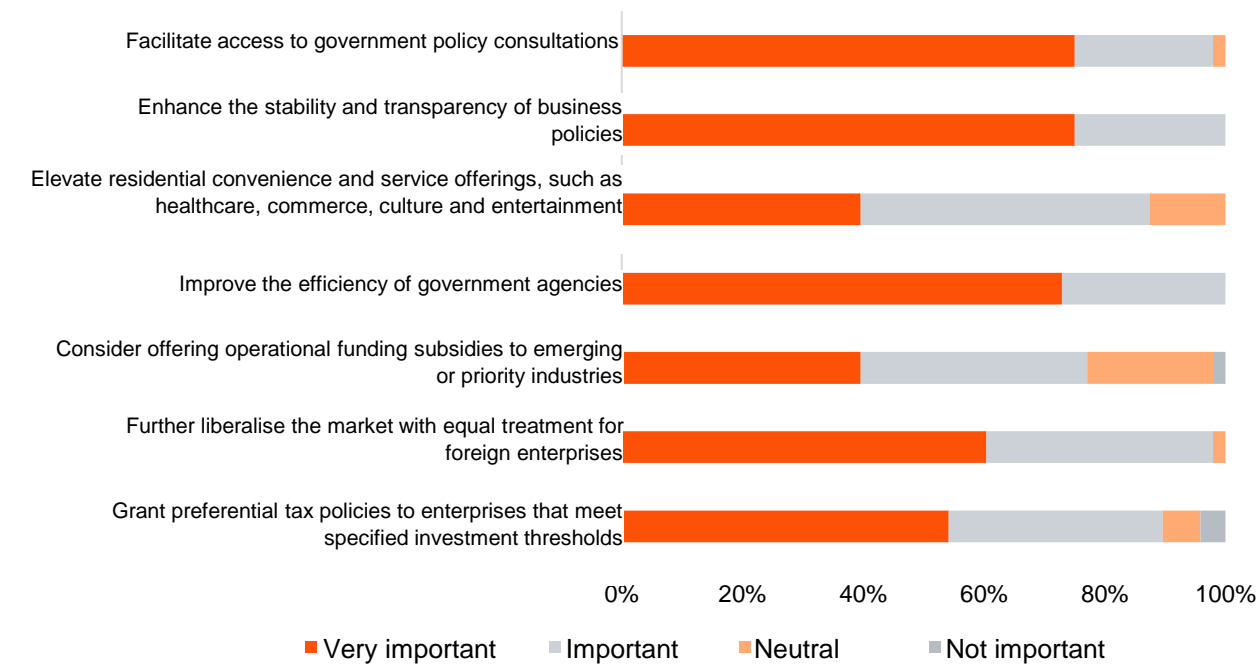
Top three countries by market potential

- Saudi Arabia (95.8%)
- UAE (79.2%)
- Egypt (37.5%)

Top three government support measures desired

- Tax reductions, exemptions or incentives for investments outside free zones (77.1%)
- More lenient work permit policies (72.9%)
- More robust regulations to protect foreign investment (60.4%)

Reform measures to attract foreign investment





Of the 136 Chinese enterprises surveyed, 55 have operations in Egypt.

Industry	Revenue scale		Workforce		Years in operation		
Industrial manufacturing	25.5%	> US\$500m	21.8%	< 50 employees	38.2%	> 10 years	41.8%
Infrastructure (construction contracting)	23.6%	US\$100-500m	21.8%	50-100 employees	12.7%	5-10 years	18.2%
Energy	23.6%	US\$50-100m	20%	101-500 employees	25.5%	3-5 years	16.4%
Telecommunications	5.5%	US\$10-50mn	18.2%	501-1,000 employees	5.5%	1-3 years	14.5%
Logistics	5.5%						
Others	5.5%						

Development status

Market positioning

- Physical operations with revenue and profit generated (74.5%)
- Representative office/market and business development functions (12.7%)
- Re-export trade (7.3%)

Investment mode

- Independent investments, including greenfield developments (61.8%)
- Joint venture cooperation (43.6%)
- Transactions and M&A (12.7%)
- Financial investments (5.5%)

Status of regional headquarters

- Regional headquarters established (52.7%)
- Regional headquarters established in the UAE (72.4%)
- Regional headquarters established in Saudi Arabia (34.5%)
- Regional headquarters established in Egypt (17.2%)

Profitability

- Profitable (40%)
- Marginally profitable (41.8%)
- Loss-making (7.3%)
- Substantial losses, with intention to exit the market (1.8%)

Development plans over the next three to five years

- Plan to enter or further expand market presence, with a detailed business plan already in place (45.5%)
- Plan to enter or further expand market presence, with the business plan under development (40%)
- Maintain existing operations without making additional investments (10.9%)
- Top three destination countries for investments: Saudi Arabia (91.5%), UAE (68.1%) and Egypt (55.3%)

Evaluation of business environment, market potential and government support desired

Investment satisfaction

- Very satisfied (12.7%)
- Satisfied (56.4%)
- Neutral (27.3%)

Top three Middle Eastern countries by business environment

- UAE (100%)
- Saudi Arabia (72.7%)
- Qatar (58.2%)

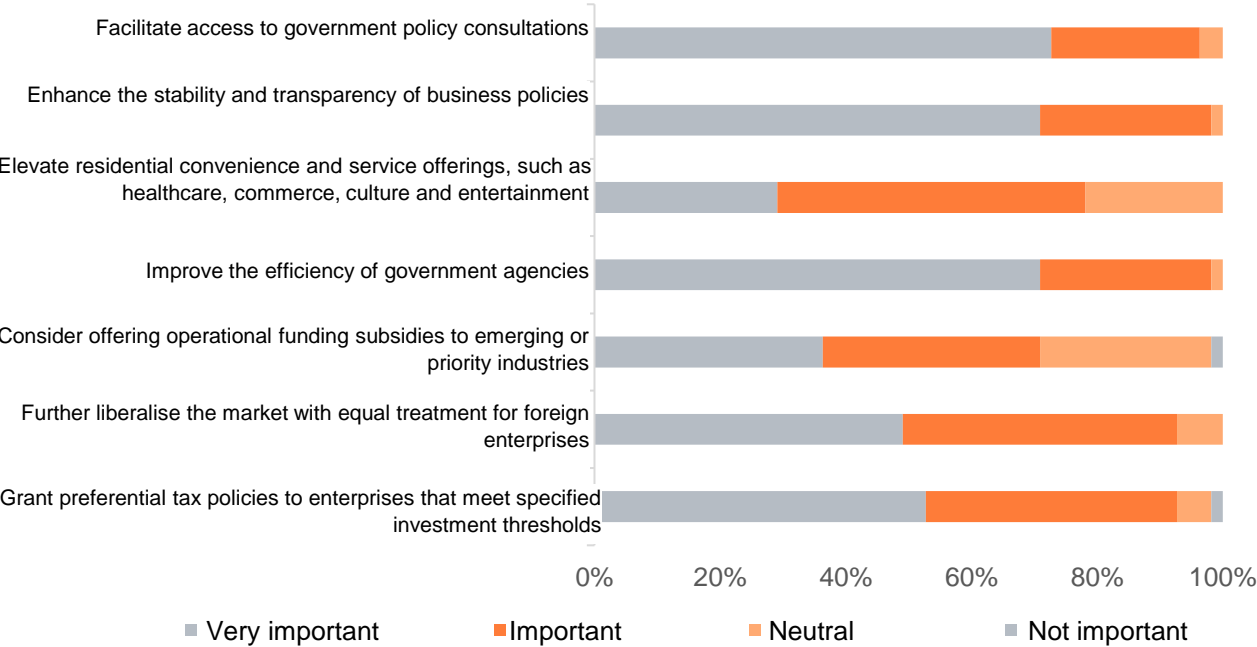
Top three countries by market potential

- Saudi Arabia (92.7%)
- UAE (72.7%)
- Egypt (52.7%)

Top three government support measures desired

- Tax reductions, exemptions or incentives for investments outside free zones (80%)
- More lenient work permit policies (65.5%)
- More robust regulations to protect foreign investment (63.6%)

Reform measures to attract foreign investment





Survey methodology

05

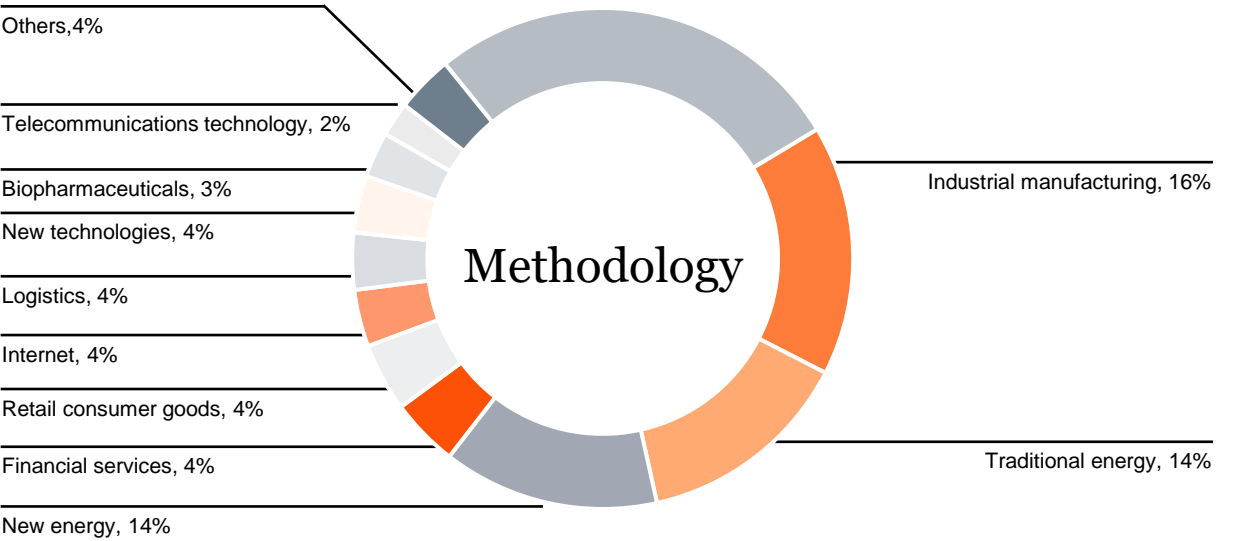
Methodology

From April to May 2025, PwC conducted an online survey of Chinese enterprises operating in the Middle East, with 136 companies responding.

Industries

According to the survey, the infrastructure industry holds the largest share at 27%, followed by industrial manufacturing at 16%. Traditional energy and new energy each account for 14%, with other industries ranging from 2% to 4%.

Chart 27: Industries of respondents

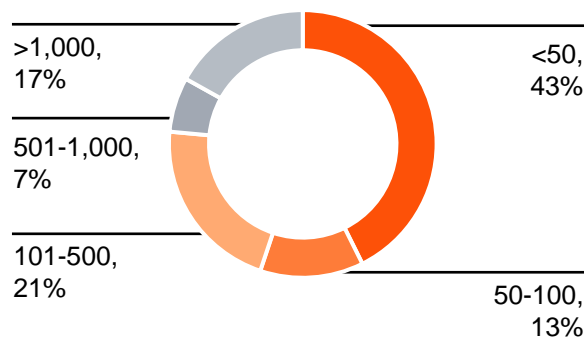


Methodology

Workforce size

According to the survey, more than half of respondents have a workforce of fewer than 100 employees. Enterprises with over 1,000 employees account for just 17% and are primarily large-scale infrastructure and energy enterprises.

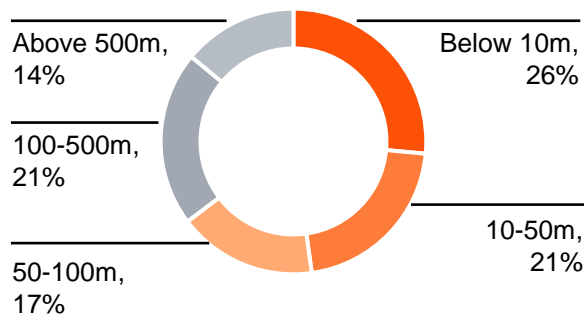
Chart 28: Workforce size of respondents in the Middle East



Revenue scale

The distribution by revenue scale is fairly balanced: 14% report annual revenues above US\$500m, 21% between US\$100m and US\$500m and over 60% below US\$100m.

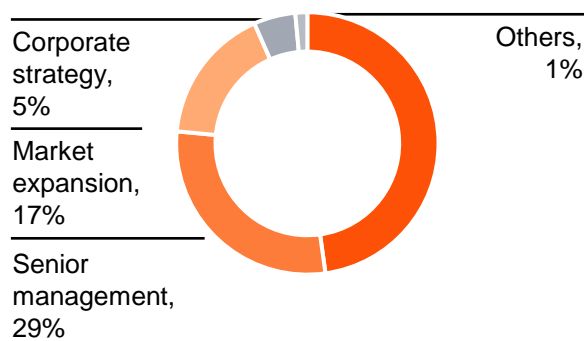
Chart 29: Annual operating revenue of respondents in the Middle East (US\$)



Roles of respondents

Finance and tax professionals comprised 48% of the respondents; senior management accounted for 29%, market expansion personnel for 17% and corporate strategy personnel for 5%.

Chart 30: Roles of respondents



Contact us

Rami Nazer

PwC Middle East Clients and Markets Leader
PwC EMEA Government & Public Sector Leader
Rami.nazer@pwc.com

Linda Cai

Inbound/Outbound Leader
Head of China Corporate Finance
PwC China
Linda.cai@cn.pwc.com

Steven Shum

Associate Director
Inbound/Outbound Services
PwC China
Steven.shum@cn.pwc.com

Mei Gan

Director
International Markets and China Business
Development
PwC Middle East
Gan.mei@pwc.com

Zhoudong Shangguan

Associate Director
Research, Clients and Markets
PwC China
Zhoudong.shangguan@cn.pwc.com

Serena Zhang

Manager
Clients and Markets
PwC China
Serena.s.zhang@cn.pwc.com

Judy Wang

Manager
Research, Clients and Markets
PwC China
Judy.xr.wang@cn.pwc.com

Jelly Wang

Senior Consultant
Research, Clients and Markets
PwC China
Jelly.mc.wang@cn.pwc.com

References

01	DataBank. World Bank Group, 2025
02	Doing Business 2020. World Bank Group, 2019
03	Middle East and North Africa Economic Update. World Bank Group, 2025
04	Global Economic Prospects. World Bank Group, 2025
05	Statistics. General Administration of Customs of China, 2024
06	Chinese funded enterprises in UAE committed to sustainable development. Ministry of Commerce of China, 2024/
07	Guidelines for Countries (Regions) for Outbound Investment Cooperation. Ministry of Commerce of China, 2025
08	Overview: China and Middle Eastern countries join hands to address climate change. Xinhua News Agency, 2023
09	20 years of cooperation between China and Arabian countries. the Chinese Embassy in Egypt, 2024
10	Analysis Report on Economic and Trade Exchanges between China and the Middle East Region. The PHBS Think Tank, 2024
11	World Competitiveness Yearbook 2024. International Institute for Management Development (IMD), 2024
12	Quarterly Economic Review. Central Bank of the UAE, 2025
13	Gross Domestic Product Statistics. The General Authority for Statistics (GASTAT) (Saudi Arabia), 2025
14	Updated Investment Law. Ministry of Investment (Saudi Arabia), 2025
15	World Economic Outlook Database. International Monetary Fund (IMF), 2025
16	Investment Law & its Amendments. State Information Service Your Gateway to Egypt, 2024
17	The Federal Commercial Companies Law. The UAE Government, 2025
18	New taxes in GCC: IMF says region needs to implement wider corporate tax reforms. Khaleej Times, 2024



About PwC

At PwC, we help clients build trust and reinvent so they can turn complexity into competitive advantage. We're a tech-forward, people-empowered network with more than 370,000 people in 149 countries. Across audit and assurance, tax and legal, deals and consulting we help build, accelerate and sustain momentum. Find out more at www.pwc.com.

PwC Middle East operates in 30 offices across 12 countries with a team of over 12,000 people working together to deliver real impact. (www.pwc.com/me).

PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see www.pwc.com/structure for further details.