Market Report | Locations Insider™

Middle East and North Africa: The Next Frontier in IT-BP Services Delivery

August 2022: Complimentary Abstract / Table of Contents

EGR-2022-37-CA-5332

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Background for this research: scope and coverage

IT-BP services delivery from Middle East and North Africa (MENA) has been on a rise in the last few years. This is primarily driven by the region's strong, untapped domestic and regional demand potential, coupled with lower competitive intensity compared to other onshore and nearshore hubs. Additionally, the central government in the region has charted a strategic roadmap to diversify the highly oil-dependent economy by attracting foreign investments in the IT-BP space. Lower costs, high availability of bilingual talent pool, and location diversification to mitigate delivery concentration risk are other key business enablers driving growth in the MENA region.

As market players evaluate these markets, they will need to be cognizant of the key trade-offs and associated risks for operating in the region. They will require a deeper insight into the role of each country in the global delivery portfolios and will need to understand the potential opportunities.

This report by the Everest Group aims to support market players in their quest for supporting the right service from the right location within MENA. It highlights the relative attractiveness and talent-cost proposition of key MENA locations for supporting regional and global IT-BP services delivery, based on a holistic and multi-faceted assessment covering 10+ parameters.

14 MENA delivery locations have been prioritized for this assessment.

These locations represent the most mature and leveraged markets in the MENA region

Middle East					North Africa			
Bahrain	Israel	Jordan	Kuwait	Lebanon	Algeria	Egypt	Morocco	Tunisia
Oman	Qatar	Saudi Arabia	Turkey	United Arab Emirates (UAE)				

There are multiple drivers pushing IT-BP services delivery growth in MENA…

1. **Low cost across multiple locations** as compared to onshore geographies; that is driven by lower people costs, lower rentals, and currency depreciation in some locations (e.g., Egypt and Turkey)

2. **Low market congestion** compared to key talent hubs across leading offshore/nearshore geographies and opportunity to capitalize on early-mover advantage

3. **High availability of bilingual talent** base is expected to boost growth for the CC/BP industry and will help bolster services delivery beyond established hubs such as the UAE, Israel, and Egypt

4. **Strong government push** to diversify highly dependent oil economy and to enable the global services sector through multiple incentives, marketing promotions, setting up of technology parks, and enhanced focus on training initiatives

5. **Strong domestic and regional demand** in the region (especially in the Middle East) attracts IT-BP players to set up operations in the domestic market and tap into the high market demand potential

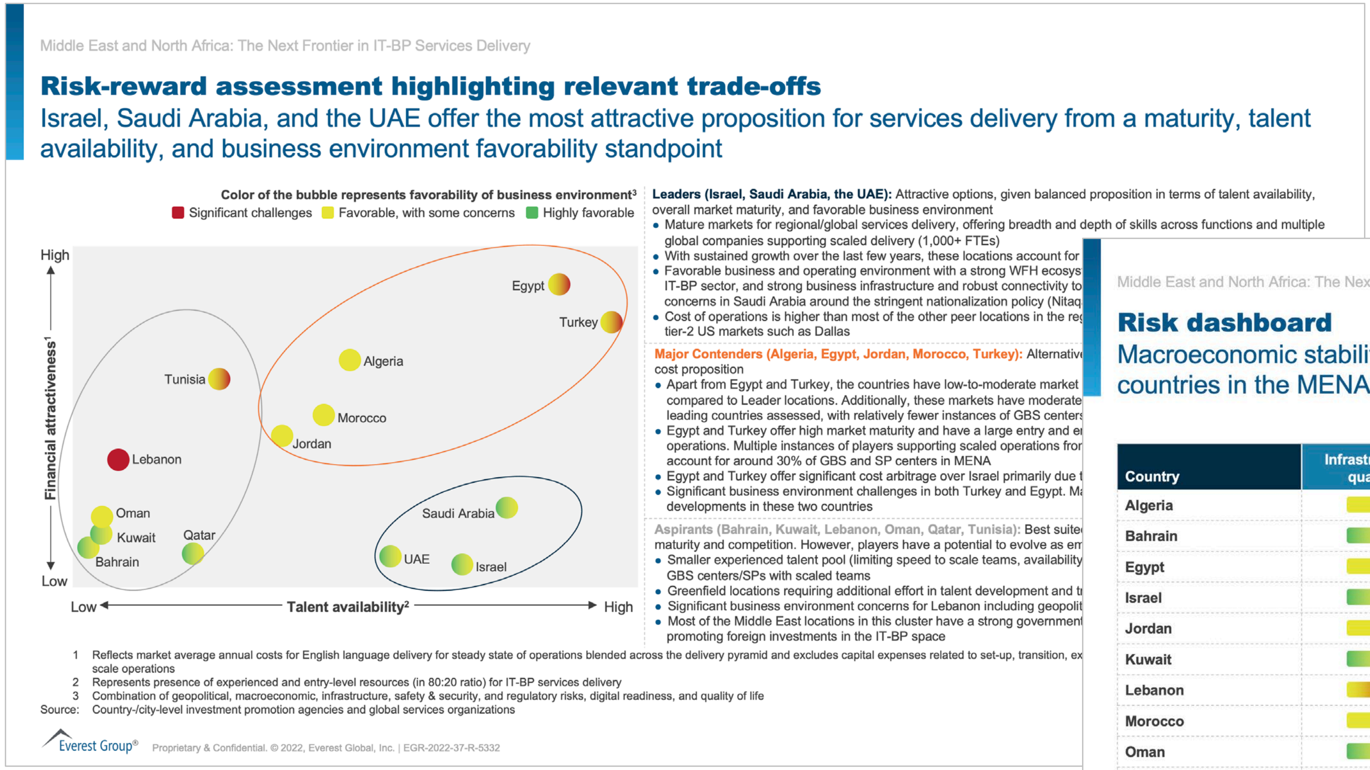
6. **Strong growth in the delivery of IT-BP services**; Israel, the UAE, and Egypt are driving growth in the region on account of strong talent availability to support breadth and depth of IT BP services

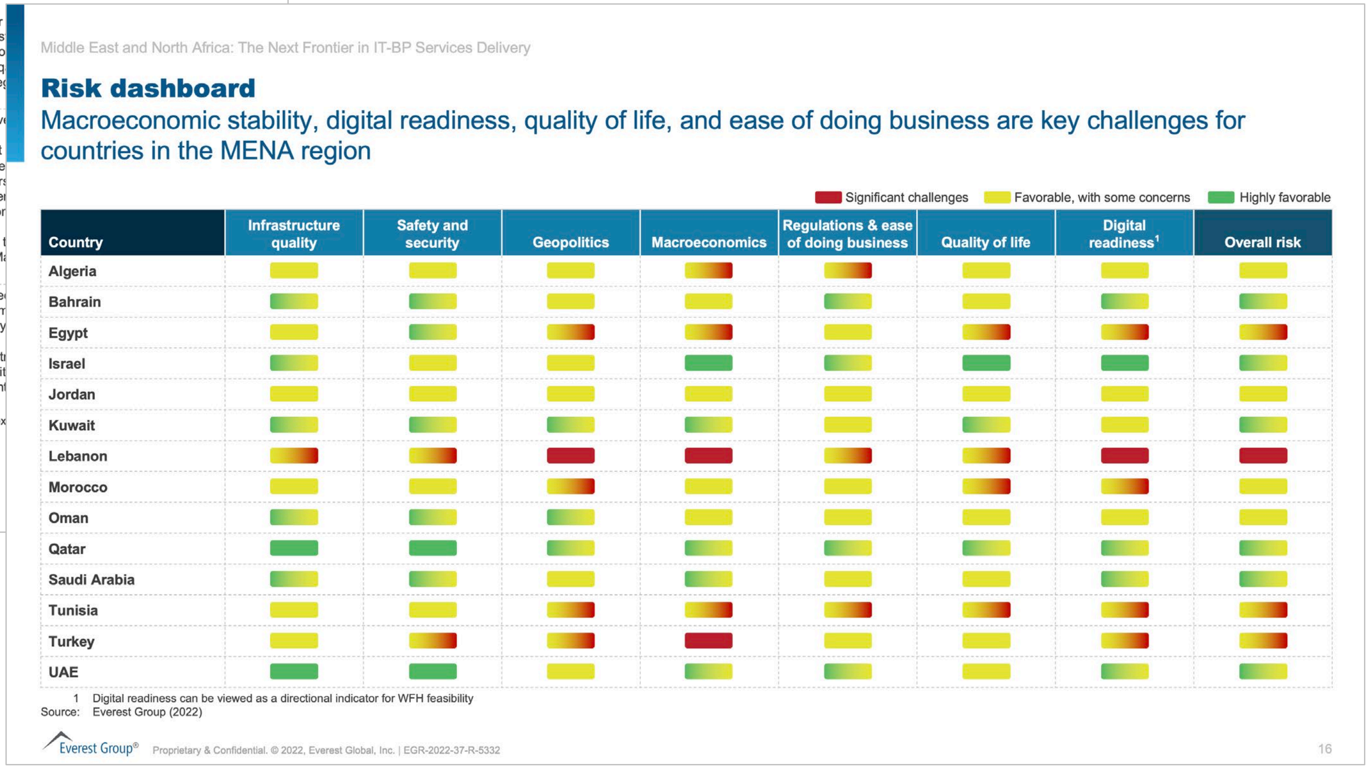
7. Expansion into the MENA region **diversifies delivery concentration risk**. These locations may act as Business Continuity Planning (BCP) centers to offshore/nearshore hubs

> "The Middle East and North Africa is a fast-growing region with a large services delivery working population base. Our target is to strengthen our collaboration with clients and partners in developing solutions that are designed around the unique needs of the people in the MENA region."
>
> – Regional Head, global financial services firm

> "The government has created a conducive business environment for global organizations to operate in the region. They have charted a strong infrastructure for us to innovate and serve the global markets."
>
> – Senior Leader, leading Europe-based service provider

This study offers a deep dive into key aspects of Middle East and North Africa global services delivery market; below are some charts to illustrate the depth of the report





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