

NAVIGATING TRANSFORMATION – MIDDLE EAST

A Strategic Lens on Resilience, Preparedness, and Growth

Dear Reader,

We hope you had a wonderful summer break! We're back with three newly published reports, spanning water infrastructure, sustainable manufacturing, and automotive growth across the region, all available now.

As the region continues to navigate a period of complex transition, these reports aim to provide a useful perspective and a tool to help our clients make sense of these shifts and translate them into opportunities for resilient, future-ready growth.



Warm Regards,

Abhay Bhargava

Managing Director & Regional Head

Frost & Sullivan, Middle East & Africa

RECENTLY PUBLISHED FROST & SULLIVAN GROWTH ANALYTICS REPORTS

01 | SMART WATER METERING, MEA

Is Smart Metering MEA's Fastest Path to Water Security?

\$497M market in 2025, growing to \$786M by 2032 (6.8% CAGR).

Acute water stress and non-revenue water losses of up to 50–60% in parts of Africa are pushing utilities across the GCC, Levant, and Sub-Saharan Africa to treat smart metering as the first move in digital transformation, not a pilot.

- Universal Head End Systems and Meter Data Management platforms represent a \$100–500M opportunity, with a 1-3 year window for action
- Prepaid smart meters with integrated valve control offer a \$100–500M opportunity, with a 1-3 year window
- Metering and Billing-as-a-Service is emerging as a new business model
- Active markets already taking share include: GCC desalination-driven rollouts, Jordan's prepaid smart metering programme, South Africa's RT29 national rollout

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Report: *Growth Opportunities in the Smart Water Metering Solutions Industry, MEA, Forecast to 2032 - Authored by Paul Hudson*

02 | SUSTAINABLE MANUFACTURING, MIDDLE EAST

What's Driving the Middle East's Sustainable Manufacturing Shift?

Energy costs run up to 40% of total manufacturing costs in the region.

Frost & Sullivan's Top 10 maps the growth opportunities reshaping GCC manufacturing competitiveness under Vision 2030, Operation 300bn, and NIDLP. The opportunities span

renewable procurement, carbon capture, and green building materials. Key opportunities that stand out:

- Renewable energy integration is accelerating, with Saudi Arabia targeting 50% renewable power in its grid by 2030
- Green hydrogen is emerging as the pathway for hard-to-abate industrial processes
- Industry 4.0 adoption is already paying off, with early adopters reporting productivity gains of 20–30%
- Carbon capture, utilisation, and storage is gaining urgency. The IEA estimates 1.6 billion tonnes of CO2 must be captured from industrial sources every year by 2050

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Report: *Top 10 Growth Opportunities in Sustainable Manufacturing, the Middle East, 2026*
- Authored by Rohit Khare

03 | GCC AUTOMOTIVE

GCC Auto Demand Stays Resilient. However, 2026 Is a Scenario-Planning Year

1.5M vehicles sold in 2025 (+5.9%), the region's long-term trajectory remains positive.

Saudi Arabia and the UAE still drive 77% of GCC sales. Frost & Sullivan frames 2026 as short-term disruption (US-Israel-Iran conflict: shipping, oil prices, consumer confidence) layered on top of structurally strong long-term demand. This isn't a downturn story; it's a year that calls for scenario-based planning.

- Structural demand remains intact, underpinned by rising incomes, population growth, tourism expansion, and continued infrastructure investment
- EV adoption doubled in a single year, from 2% to 4% of all vehicles sold in 2025
- Chinese OEMs have crossed 10% market share GCC-wide (nearing 15% in the UAE and Kuwait), led by brands including MG, Jetour, Geely, Changan, and Haval
- Saudi Arabia is emerging as the region's manufacturing hub under Vision 2030
- Oman stands out as the GCC's most resilient automotive market across all scenarios, benefiting from lower reliance on Strait of Hormuz transit and relatively limited direct disruption to its domestic economy

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Report: *GCC Automotive Growth Opportunities for 2026* - Authored by Ritika Janiya & Sunny Manjani

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3. [Recycling Expo Middle East](#) [September 22–23]
4. [Gulf Business Awards](#) [September 23]
5. [Airport Show](#) [October 12–14]
6. [Saudi Agriculture](#) [October 19–22]
7. [Future Health Summit](#) [October 20–22]
8. [GrowTech Middle East](#) [October 26–28]
9. [Global Health Exhibition](#) [October 26–29]

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