

Guarded optimism for business in the Middle East in 2021

Difficult times caused by the coronavirus are not over as the region pivots for new year.



Business owners protest against the nationwide closure in Tel Aviv on October 15, 2020 - (photo credit: FLASH90)

2020 was a vicious year for businesses of all sizes.

No region was spared disruption from the coronavirus pandemic and every business sector found itself pulled in new directions to meet a new and different reality.

With the end of 2020 and the beginning of vaccination operations around the region, The Media Line asked businesspeople and experts from the Middle East to look back on the challenges of the past year and to look ahead to the possibilities for the coming year.

Tourism around the globe changed during the pandemic with entire industries such as air travel, accommodations, and cruises losing massive amounts of revenue. Only during the last third of the year has limited air travel picked up again.

In the Middle East, companies and countries adjusted to the new realities for both travel and travelers.

“The Middle East, specifically the Gulf region was very pro-active. Initiatives by Emirates, Qatar and Etihad airways to make COVID tests possible before departure - a first in the world,” Juergen Steinmetz, CEO of Travel News Group and publisher of eTurbo News, told The Media Line.

In the United Arab Emirates, “the opening of the market to Israel travelers was a game-changer. A no-market became the prime market within days. It will change tourism to the UAE for a long time to come. It will help in maintaining higher numbers compared with many other destinations,” Steinmetz said.

“COVID-19, however, remains unpredictable,” he added. “It’s all in who wins the race of getting everyone vaccinated. The possibilities seem to be very different depending on the country.”

International recruiters serving the Middle East also are adapting to the new normal.

The pandemic changed our clients' hiring needs, Ziad Ghorayeb, managing partner at Expertise Recruitment in Baabda, a town overlooking Beirut in Lebanon, told The Media Line.

"Video interviews have become the norm and there is a growth in demand for remote workers," he said. "The recruitment process is almost the same but to protect the health of our recruiters and candidates, we are no longer conducting face-to-face interviews."

Ghorayeb, whose firm works in all business sectors with clients mainly in the Middle East and Africa region, does not see many, if any, changes coming for the near future, conceding there will be "a further rise of remote work and the job market will become truly globalized."

He is also thinking ahead. "We're currently expanding to Europe," he told The Media Line.

Energy markets in the region also were under pressure in 2020. With a supply war between two major powers - Saudi Arabia and Russia - causing a surfeit of oil in local markets coupled with a steep drop in demand due to the pandemic, the price of US crude was pushed into the negative range in April, for the first time ever.

Despite OPEC basket prices falling off by close to 30% for the year and WTI [West Texas Intermediate] spot prices down 20% since January, Dr. John Sfakianakis, chief economist and head of research at the Gulf Research Center in Riyadh, Saudi Arabia, remains upbeat.

"OPEC found a way to address a rather unique crisis which the global economy has never encountered before, at least during the history of the last few decades," he said.

"The views on peak oil demand and oil price destruction have gone from an exaggerated destruction to an auspicious upside despite the negative results around the pandemic news," he told The Media Line.

"We have witnessed an increase in the discourse of de-carbonization, renewables, electric vehicles, and peak oil demand in 2020," he said.

The future is brighter, Sfakianakis asserts.

"2021 will bring more balanced views about demand for energy which should improve over 2020 although the discourse of peak oil will keep on resurfacing. Despite the pandemic, oil prices will rise based on demand which will continue its recovery path into 2022," he said.

Technology was forced to self-reflect in 2020. Since this is a sector based on innovation and knowledge, such self-study will continue in 2021, experts say.

"The global pandemic altered many aspects of life for organizations and individuals in unprecedented ways, including the way we work, live and do

business in the Middle East,” according to Haider Pasha, chief security officer, Middle East, and Africa, at Palo Alto Networks, a leading cybersecurity company. For cybersecurity in 2021, said Pasha: “Technological advances including the growth of 5G networks, cloud, edge computing, and touchless interfaces will give rise to new types of security vulnerabilities and threats.”

Dr. Dorit Dor, vice president of products at Check Point Software Technologies, another leading cybersecurity player, said that: “The COVID-19 pandemic derailed business-as-usual for virtually every organization, forcing them to set aside their existing business and strategic plans, and quickly pivot to delivering secure remote connectivity at massive scale for their workforces.”

Dor stressed that organizations need to protect their networks.

“One of the few predictable things about cyber-security is that threat actors will always seek to take advantage of major events or changes – such as COVID-19, or the introduction of 5G – for their own gain. To stay ahead of threats, organizations must be proactive and leave no part of their attack surface unprotected or unmonitored, or they risk becoming the next victim of sophisticated, targeted attacks,” she said.

Despite the pandemic, technology in Israeli had a banner 2020.

According to Jon Medved, founder of the crowdfunding global venture investment platform, OurCrowd, over \$10 billion was invested in startups, representing an almost 25% growth year over the previous year.

“The fact that Israel had a record year in funding while the rest of the venture capital world was flat to down is a testament to the strength of the Israeli tech ecosystem and the willingness of overseas investors to invest over Zoom without physically meeting mask to mask,” Medved told The Media Line.

For 2021, he said he hopes, “the coming year will be a year of steady recovery for the Israeli economy, as Israel’s global leadership in vaccination percentages powers the country back to something close to normal in the spring, restoring broad economic activity and employment.”

The coronavirus pandemic changed the world in 2020. Though humanity, particularly the less affluent and those without access to healthcare, is continuing to suffer, most people are learning to live alongside the pandemic.

Today, the outlook appears far less gloomy than eight months ago, and, say the experts, 2021 will be an improvement over 2020.

Felice Friedson contributed to the article.

Source:

<https://www.jpost.com/middle-east/guarded-optimism-for-business-in-the-middle-e>

ast-in-2021-653944

[Disclaimer]