



Why entrepreneurial capabilities are key to empowering MENA's youth



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01

Introduction

Entrepreneurial success goes beyond having an innovative idea - it requires a strong foundation of skills, behaviours and traits that enable individuals to launch and grow companies. Recent LinkedIn data also shows that the skill sets for jobs have changed by around 25% since 2015 and by 2027, that number is expected to double.¹

Meanwhile, people under 25 years of age constitute nearly half (48%) of the population in the MENA region,² presenting a unique opportunity to build a strong entrepreneurial workforce. Yet, with youth unemployment at 24% in 2024,³ a skills gap limits the region's ability to foster entrepreneurship and drive economic growth. In this report we have analysed the most frequently mentioned entrepreneurial capabilities and our work has been informed by insights from interviews with entrepreneurs, private sector experts and leaders, alongside deep research.

Key entrepreneurial skills	Key entrepreneurial behaviours	Key entrepreneurial traits
Problem-solving	Continuous learning	Resilience
Execution abilities	Seeking feedback and improvement	Comfort with uncertainty
Financial literacy	Collaboration	Agility and adaptability
Critical thinking	Active listening	Creativity
Effective communication	Empathy	Innovation
Compelling storytelling	Curiosity	Proactivity
Networking and relationship-building	Mentorship	Emotional intelligence
Time management	Experimentation	Self-efficacy and confidence
Ability to spot opportunities		Cross-cultural respect

Figure 1: PwC-identified entrepreneurial skills for the MENA region

These entrepreneurial capabilities form the foundation of a thriving entrepreneurial ecosystem, drive economic resilience, job creation and long-term innovation across the MENA region. They feed into our framework that outlines four actionable strategies for policymakers, corporations and educational institutions (Figure 2). Together, they also address current gaps in the entrepreneurship ecosystem and offer a clear path for impactful change.

Current Need	Solution: Develop the key entrepreneurial capabilities through...	Outcomes
Changing Workforce Needs	Structured Entrepreneurship Education	<ul style="list-style-type: none"> - Employment & Tax Revenue Streams - Economic Growth & Diversification - Political Stability
Leadership Riding Disruption	Mentorship Tech Mastery	<ul style="list-style-type: none"> - Innovation - Productivity - Revenue Generation
Maximising Engagement	Female Empowerment	<ul style="list-style-type: none"> - Diversity - Employability - Female Labour Force Participation

Figure 2: Entrepreneurial capabilities framework



Why building entrepreneurial capabilities matters more than ever

Strengthening workforce needs

With the work landscape continuously evolving, there is a crucial need to upskill the workforce of the region. According to the **PwC Middle East Hopes and Fears 2024 survey**, 63% of respondents anticipate a higher impact of technological changes on their jobs in the next three years, compared to the global average of 46%. Also, only 26% of respondents in the region say they don't know how to use AI tools, pointing to high AI literacy.

In 2025, the widespread use of AI especially in some of the key economies of the Middle East presents unparalleled opportunities for youth to address critical issues such as water scarcity, food security and renewable energy transitions. These developments are also creating fertile ground for innovative business ventures and entrepreneurial growth, growing Startups like Tabby (UAE), Tamara (Saudi Arabia) and Swvl (Egypt) demonstrate how technology can enable scalable, regionally relevant solutions.



Without the proper training and upskilling initiatives, the region risks falling behind in a competitive global market, limiting growth and innovation. Entrepreneurship serves as a critical lifeline in the MENA region, where youth unemployment remains high at 24.4% as of 2023.⁴



“Inaction in developing entrepreneurial skills poses significant risks, as future jobs will demand proactivity and adaptability to deal with rapid advancements. By focusing on these skills now, we can cultivate a resilient, innovative workforce ready to embrace the challenges and opportunities of tomorrow”

Dipika Mallya

a UAE-based consultant specialising in design thinking and innovation training programmes





Ensuring innovation and growth

Entrepreneurship is widely seen as a key driver of economic growth and employment, prompting governments to expand and invest in entrepreneurship education.⁵ The Global Entrepreneurship Monitor shows that countries with high entrepreneurial activity experience more innovation and economic growth.⁶



“Neglecting entrepreneurial capacity means missing the chance to stay ahead. Entrepreneurship demands taking calculated risks to compete effectively. While there’s a high likelihood of failure, entrepreneurs must be agile and willing to pivot continuously until achieving a market-fit product. It’s a challenging path, but essential to staying ahead of the competition. Entrepreneurs must foresee trends, embrace innovation and maintain a competitive edge. These skills are crucial for businesses to stay relevant, defend their position and grow market share”

Moiza Saeed
Senior Director at Talabat

Talabat's success is a clear example of this journey, highlighting the power of innovation and strategic risk-taking in transforming an idea into a thriving business. Born out of the vision of young Kuwaiti entrepreneurs, it grew into a regional market leader in food and grocery delivery.⁷ Digital literacy and market analysis skills enabled this and an understanding of consumer behaviour: skills that can be developed through entrepreneurship education.⁸

According to the World Economic Forum, over a billion people worldwide will need to be reskilled by 2030 due to technology-driven shifts in the workplace.⁹ Those changes will be disruptive, but also present an opportunity for the MENA.¹⁰

PwC's 28th Annual CEO Survey: Middle East findings business leaders in the region see AI as a transformative catalyst for innovation, with many trusting it to a "large" or "very large" extent, compared to only one third of their global peers. In the GCC, 90% of business leaders expect AI to enhance business processes and workflows and 81% anticipate its use in new product and service development over the next three years.¹¹

This culture of embracing AI for innovation and making it a core component for new products and services in the region presents major opportunities for entrepreneurship. From AI-powered analytics that predict consumer trends, to virtual prototyping tools that reduce time-to-market, the potential applications are vast.¹² Entrepreneurs can also tap into AI to enhance customer experience through hyper-personalised content, automate supply chains, detect fraud and test concepts with virtual prototypes.



Engaging women in business

Female labour market participation in the MENA region is the lowest globally, at just 19% in 2024 - significantly below the global average of 49%.¹³ Entrepreneurship offers an alternative, allowing women to bypass hiring biases and structural barriers. Change is happening to support this and reforms - notably in GCC countries - are addressing gender discrimination to create a more equitable foundation for female economic participation. For example, thanks to multiple law changes introduced since 2017, women now own 45% of small and medium-sized businesses in Saudi Arabia.¹⁴



“I was pushed into entrepreneurship by the glass ceiling I encountered as a woman in senior-level corporate roles”

Mareva Koulamallah

Founder and CEO of Marevak Consulting



The entrepreneurial capabilities gap in the MENA workforce

According to the Global Entrepreneurship Monitor (GEM), enabling women to start and scale businesses at the same rate as men could generate an additional US\$5trn to US\$6trn in global economic output.¹⁵

The OECD defines “entrepreneurial skills” as those needed to create and manage new ventures and innovative projects.¹⁶ Our interviews with public and private sector experts reveal significant gaps in entrepreneurial capabilities among MENA youth, hindering innovation and requiring strategic intervention.



Confidence deficit and risk aversion

Many emerging talents are hesitant to pursue entrepreneurship, fearing the risks of leaving stable careers and testing new business ideas.



Communication apprehension

Aspiring entrepreneurs often struggle to express their ideas openly and engage in constructive dialogue or navigate disagreements effectively.



Overcoming opportunity costs and nurturing commitment

A key challenge is reconciling the sacrifices of entrepreneurship with the long-term dedication needed to sustain ventures through difficult times.



Lack of essential technical proficiencies in deep tech and AI

There is a strong need for advanced skills in deep tech and AI, crucial for driving innovation-based enterprises.



Cultural barriers in investor relations

Cultural differences often create obstacles in effectively engaging with investors, limiting access to critical funding.

These gaps highlight the complexities of entrepreneurial development in the MENA region, calling for targeted efforts to build a supportive ecosystem for entrepreneurial success.

Figure 3: Entrepreneurial capabilities gap



Four strategies to build entrepreneurial capabilities in MENA

4.1 Structured entrepreneurship education

Risk: 22% of jobs will be disrupted by 2030, underlining the need for new learning approaches and entrepreneurial education.¹⁷

Proposed action: To help young people develop the core entrepreneurial capabilities outlined above (Figure 1), Ministries of Education, government bodies, TVET institutions and universities must prioritise entrepreneurship education from early schooling through to higher education.

Wajeeha Al Hussein, entrepreneur and managing director, Ogilvy, emphasised the importance of introducing foundational entrepreneurial skills in schools, including agility, creativity and financial literacy. Currently, the educational system offers a mix of technical and business skills but overlooks critical areas like creativity and leadership, which are essential for startup success. These skills collectively enhance entrepreneurial skills, behaviours and traits, thereby contributing to the overall success of the individual and the organisations they eventually work for.



Governments benefit by nurturing a generation of job creators rather than job seekers, consequently reducing future unemployment rates. According to the World Economic Forum, entrepreneurship education fosters innovation, problem-solving and financial competence, helping young people become job creators rather than job seekers and ultimately reducing future unemployment.¹⁸

Future state: A future workforce equipped with entrepreneurial capabilities will lead to higher employment rates, increased tax revenue streams from new business formations and greater economic growth and diversification. By fostering innovation and reducing youth unemployment, entrepreneurship education also strengthens political stability.

4.2 A culture of mentorship and collaboration

Risk: Without mentorship, small businesses face high failure rates, with 35% of small non-mentored businesses surviving more than five years, half the rate of mentored businesses.¹⁹

Proposed action: In the last five years, entrepreneurship in the MENA region has grown substantially, with 46% of employees ready to start a business. In fact, in PwC's latest Emiratisation Survey, we have seen strong evidence of significant interest in developing entrepreneurial skills, with Emirati respondents in the private sector showing the highest enthusiasm (75%), followed by Emirati job seekers (71%).²⁰

Developing the entrepreneurial capabilities defined by PwC (Figure 1) requires direct exposure to real-world business challenges. Governments and businesses should facilitate mentorship programmes that connect young entrepreneurs with experienced mentors, fostering a culture of learning and collaboration. When asked about key skill gaps hindering entrepreneurship in MENA, the three UAE-based entrepreneurs we interviewed highlighted the need to normalise mentorship. In the UAE, the private sector has been invited to encourage entrepreneurial initiatives, including opportunities for funding and networking.

Future state: A strong ecosystem of mentorship sustains higher survival rates for startups through increased knowledge exchange. Experienced entrepreneurs can provide invaluable guidance, helping aspiring entrepreneurs navigate challenges and avoid common pitfalls. For corporations, this creates a pipeline of innovative ideas and successful in-house initiatives, potentially nurturing future business leaders and contributing to revenue generation. Meanwhile, for governments, it supports overall economic stability and productivity.

4.3 Boost mastery in emerging technologies

Risk: If workers are not trained in emerging technologies like AI, the MENA region risks lagging in the digital economy, much of which will be driven by digitally-enabled business models.²¹

Proposed action: Corporations and government agencies should co-develop training in emerging technologies, with input from industry experts. Governments must continue to invest in AI and digital skills training and invest in infrastructure for underserved communities. Educators should act as mentors, using AI to support human connection and critical thinking. Businesses can scale upskilling through public partnerships and AI-enabled credentials.²² These efforts build key entrepreneurial capabilities - like experimentation, adaptability and innovation - needed to thrive in the digital economy (Figure 1).

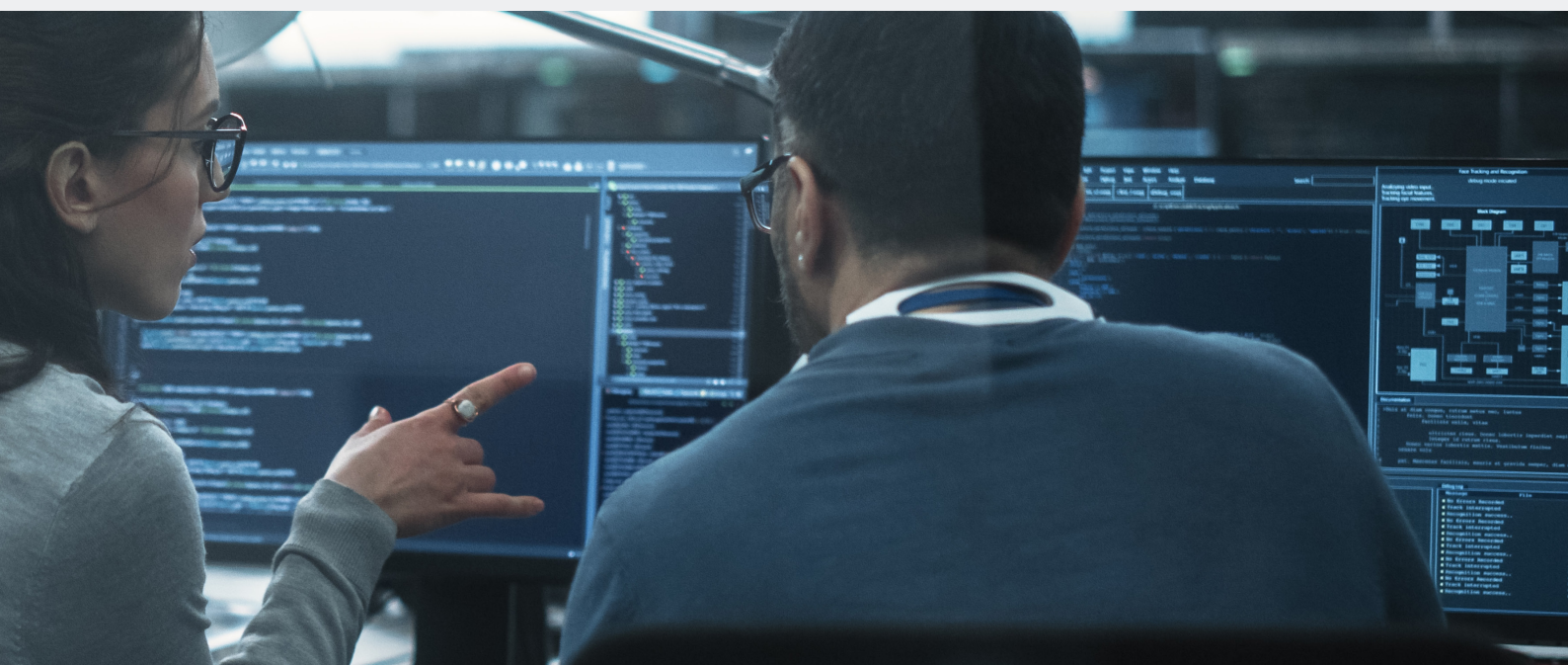


With around 140 million people in the MENA region aged under 30 - a quarter of the population²³ - there's a sizable tech-native base receptive to learning modern skills such as AI literacy.

Hub71+AI in Abu Dhabi and the 1 Million AI Talents in the UAE initiative – a nationwide programme, launched by the UAE Government in collaboration with Microsoft – are prime examples of how regional governments are acting. Likewise, in the Kingdom of Saudi Arabia, the National Strategy for Data and AI (NSDAI) has a goal to train 20,000 AI specialists by 2030.²⁴

Mohamed bin Zayed University of Artificial Intelligence in Abu Dhabi is also the world's first graduate-level, research-based AI university and a direct government initiative to build top-tier AI talent and drive research.

Future state: A skilled workforce adept in new technologies drives productivity and innovation across industries, contributing to a digitally enabled economy with higher global competitiveness.



4.4 Female empowerment

Risk: Despite forward-thinking initiatives in certain key economies of the region, the MENA region overall has the world's largest gender gap in entrepreneurship. Fewer than 5% of businesses are led by women, compared to a global average of 23-26%.²⁵

Women face unique challenges in entrepreneurship in the region, including access to finance, mentorship, and networks. According to the GEM 2023/2024 Global Report, experts in 37 out of 48 participating economies rated the social support for female entrepreneurs as unsatisfactory. Similarly, in 37 of these economies, a higher percentage of women than men who recognise good opportunities would not start a business due to the fear of failure.²⁶

Women in the Gulf, for example, are embracing entrepreneurship, with 61% in Qatar, 41% in the UAE and 36% in the Kingdom of Saudi Arabia considering starting their own business, according to 2024 research.²⁷ In many parts of the Middle East, however, societal norms and cultural beliefs may discourage women from taking risks and pursuing entrepreneurial opportunities. Also, the absence of visible role models and mentors can discourage women from pursuing entrepreneurial ventures.

Proposed action: Governments, financial institutions, and the private sector should provide targeted resources, mentorship and network access to support female entrepreneurs, build their entrepreneurial capabilities and close the gender gap in entrepreneurship.





Igniting MENA's entrepreneurial future

Investing in entrepreneurship in the MENA region can boost economic growth and address key challenges like water scarcity, sustainable energy and responsible urban development. Given its exceptionally young population, developing entrepreneurial education, mentorship, technological proficiency, and empowering women in business are vital steps. These efforts will unleash the region's innovative and resilient spirit. Collaboration among governments, businesses and educational institutions is essential to equip the next generation and can enable them to create scalable solutions, especially in AI, green technologies and digital transformation.





“Without local development, the region will increasingly rely on imported technology, goods, and services, which lack customisation for the local population’s needs. By creating an enabling environment, the region can empower entrepreneurs to develop innovative solutions that position the MENA region as a global player, rather than a consumer, in emerging industries. The time to act is now, and the rewards of investing in entrepreneurship capability will be far-reaching and transformative”

Yahya Iqelan

Regional entrepreneurship expert



“Entrepreneurial capabilities are a driving force behind resilience, innovation, and long-term relevance in the MENA region. By strategically investing in youth, inclusive innovation ecosystems and future-focused skills today, we are not only addressing regional challenges but also laying the foundation for global leadership across industries from AI and sustainability to digital transformation and beyond. This transformation will benefit from extensive collaboration between governments, the private sector, academia and civil society to create an environment where entrepreneurship can thrive”

Roland Hancock

Education Practice Leader, PwC Middle East





Approach

The analysis and key insights presented in our paper are derived from a wide range of sources, including desktop research using studies by international organisations like the International Labour Organization (ILO), World Bank and Global Entrepreneurship Monitor (GEM). Additionally, we have incorporated research papers, in-depth interviews with subject matter experts and resources from PwC experts.

We conducted 19 interviews with entrepreneurs, private sector experts and public sector leaders to delve into the importance of entrepreneurial capability-building in the MENA region.

Public sector: Discussions included representatives from the UAE Ministry of Economy, Education Government Entity and TECOM. These conversations focused on economic policy, educational strategies and business facilitation aimed at nurturing a capable generation of entrepreneurs.

Private sector: Insights were gathered from regional tech industry leaders such as Talabat and Umniah, highlighting the critical role of entrepreneurship in upskilling their workforce and driving data-driven, measurable and successful corporate initiatives through entrepreneurial ventures.

Entrepreneurs: Perspectives were collected from 14 entrepreneurs at various stages of their businesses, providing a comprehensive understanding of the challenges and requirements faced by startup founders and venture builders.

This diverse range of voices facilitated a thorough examination of the essential capabilities needed for entrepreneurial success, encompassing various experiences and sector-specific needs.

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Acknowledgements

We extend our sincere gratitude to the following interviewees (listed in alphabetical order) for their invaluable contributions to the thought leadership publication:

- Ali Magboul

CEO, ASM Process Automation

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- Aya Sader

CEO, BOLT Consultancy

- Devi Sahny

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