



Start-ups in the Middle East- North Africa Region - MENA

The Uplifting Africa Program

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The founder of Nana, Sami Al-Helwah. Photo Credit: menabytes.com

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Recently, “Start-Ups” have become a huge contributor to the Middle East and North Africa (MENA) region's economic growth. The MENA region's biggest insecurity is unemployment among the youth. Small business activity and start-ups may provide some relief for youth unemployment.

Startups are businesses, organizations, or projects created by a set of entrepreneurs. Essentially, they are the first steps of forming a business. Startups are not easy, they require outside funding from sponsors, donors, and investors.



The MENA Region Photo Credit: SETAV.org

MENA consists of 19 countries: Algeria, Bahrain, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, United Arab Emirates, and Yemen. These countries lay between the world's global superpowers of markets, the United States and China. MENA has become somewhat of an asset to the countries because of its resources and trade route access. Though with these assets the MENA Region still faces huge challenges with regard to their rates of unemployment. The International Labor Organization reported that, “the total unemployment rate in the Arab States registered **7.3 percent** with more than four million individuals seeking employment.” Youth account for a significant proportion of this statistic. This is because of the educational output in the MENA. The youth unemployment rate in (the Arab States) 2020 The World Bank quantifies is about 30%. Education can play a huge role in unemployment. The Arab states' education has become outdated and non-inclusive. Let us look at Iran's educational curriculum. They require religious education, Islamic history, and the study of the Quran. Many students

in Iran either drop out or end up never finishing secondary school for the reason of the requirement and the teaching of religious practices. Many institutions and corporations require the completion of secondary school. But with indifference to religious teaching, many students are bullied out of secondary school. Women face even bigger challenges when it comes to looking for employment, simply because Arab states have been known to discriminate against women (in the workforce and schools).

This article is intended to show the connection of how Start-ups end the gap of youth unemployment and equally benefit the country's economic activities. Start-ups allow creativity to take precedence over education requirements. They fundamentally challenge entrepreneurs as they fuel investments. Investment in start-ups is good for the country in the long run, this is because it encourages the businesses to expand more, which allows more capabilities to hire more workers. Investments stimulate innovation. Let us put this in an educational perspective, as an employee of a "well-seasoned" start-up or business, new workers may become inspired to start their own start-ups. Simply put, *the business makes business*.



KITOPI

Kitopi is one of the biggest funded start-up companies in 2021 according to Forbes. It has received about 804 million dollars in funding since its recent founding in 2018. Kitopi is a food technology company based in the United Arab Emirates. Kitopi's main service is to "enable restaurants to scale and open up a delivery presence within 14 days," explains its co-founder Saman Darkan. Kitopi allows meals from restaurants to be delivered to the customer's home. This start-up thrived during the pandemic. But this innovation has also benefited restaurant revenue by allowing the elderly population, who cannot drive or go to the restaurant itself, an option to access its food. Kitopi has only been seen as a benefit for many restaurants' revenue growth, but we can also see health benefits. Freshly cooked meals from restaurants can provide the nutrients and protein humans need.



Kitopi Office Workers Photo Credit: Glassdoor.com



The US has Instacart while The Kingdom of Saudi Arabia has Nana. It is a company that allows groceries to be bought online by customers and delivered by drivers. Nana was founded in 2016 and has received over 30 million dollars from investors since. It is currently serving 14 cities across the Kingdom, partnering with Saudi Arabia's local market chains. Online grocery shopping is becoming the new pick-up model for Middle Eastern nations, strengthening their development of technology and quality of fresh ingredients. This company serves the same benefits as the 2018 Kitopi Start-up, but with Nana, the delivery of fresh food from local markets is now available for a large number of consumers. With COVID-19 the company made amazing results due to lockdowns.



The founder of Nana, Sami Al-Helwah. Photo Credit: menabytes.com

:) Affectiva

Affectiva helps computers recognize human emotions based on physiological responses and facial cues. It was founded in 2009 and has raised over \$53 million from leading investors. Affectiva is one of the leading companies that encourage women's youth employment. Founder Rana el Kaliouby, an Egyptian American computer scientist and entrepreneur, created technology that has designed solutions to help Automotive AI, Media Analytics, and Lab biometrics. Here is how Affectiva has helped the different sectors: **Automotive Artificial Intelligence (AI):** Affectiva's In-Cabin Sensing solution understands what is happening inside of a vehicle. It measures in real-time, the state of the cabin, and that of the driver and occupants in it, to improve road safety and unlock personalized and more comfortable mobility experiences. **Media Analytics:** Affectiva, help business understand how their customers and consumers feel when they cannot or will not say so themselves. They do this by measuring unfiltered and unbiased responses businesses can act to improve customer experience and marketing campaigns. **Lab Biometric:** Affectiva gains a holistic view of human behavior in research with their partner iMotions' solutions. Combined, this research platform seamlessly integrates emotional recognition technology and biometric sensors in one place.

Start-up development is taking off rapidly as it is creating a more diverse economic environment for nations within the MENA region. It encourages creativity for youth and allows for local businesses to compete and thrive with foreign companies. This makes the MENA region an investment area that foreign investors are becoming increasingly interested in. Aside from the supply of oil, the MENA Region is becoming a growing hub for pharmaceutical, high-tech, and aerospace investments.

