



World Association of
Investment Promotion
Agencies

WAIPA Virtual Roundtable Potential Impact of the Conflict on FDI Flows Across the Middle East and Ways to Preserve Investor Confidence





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Discussion Report (Chatham House Rules)

1. Introduction

The World Association of Investment Promotion Agencies (WAIPA) convened a Virtual Roundtable bringing together Investment Promotion Agencies (IPAs) from the Middle East and neighboring regions, alongside representatives from the WAIPA Secretariat and members of the Steering Committee.

The meeting aimed to provide a platform for open dialogue on the evolving geopolitical situation in the Middle East and its potential implications for foreign direct investment (FDI). Participants shared on-the-ground perspectives regarding investor sentiment, business continuity, and emerging opportunities, while also discussing how IPAs and governments can maintain investor confidence during a period of heightened uncertainty.

Participants emphasized that **strengthening regional cooperation among investment promotion agencies can play a key role in sustaining investor confidence and reinforcing the Middle East as an attractive investment destination as a whole.** In this context, collaboration across countries was seen as an important way to ensure that global investors continue to view the region as stable, interconnected, and resilient.

The discussion also highlighted the **critical importance of investment aftercare,** particularly during periods of uncertainty. Supporting investors who have already established successful operations in the region was widely recognized as a priority, as satisfied and well-supported investors often serve as long-term partners and ambassadors for the region's investment environment.

2. Regional Context and Strategic Importance

Participants acknowledged that the Middle East and GCC region has become a major global destination for foreign direct investment in recent years, with several countries emerging as key economic hubs. The region also holds significant strategic importance in the global economy, including its central role in global energy supply and international trade routes.



Given this context, participants noted that geopolitical tensions in the region inevitably attract global attention and can influence investor perceptions. The current situation therefore raises important questions for governments, investors, and investment promotion agencies regarding potential impacts on investment flows and economic activity.

At the same time, participants emphasized that the region has faced challenges before and has repeatedly demonstrated resilience and adaptability in maintaining economic growth and investment attractiveness.

3. Investor Sentiment and Decision-Making Trends

Participants widely agreed that the immediate impact of the conflict has primarily affected **investor sentiment and decision-making timelines**, rather than leading to widespread withdrawal of investments.

Investors have generally adopted a cautious approach, often delaying final decisions or requesting additional information before proceeding with planned investments. This behavior was described as a typical reaction during periods of geopolitical uncertainty, where companies temporarily reassess risks and monitor developments before moving forward.

However, participants noted that this slowdown in decision-making should not be interpreted as a decline in long-term investment interest. In many cases, investors continue to express strong interest in the region's opportunities and remain committed to existing operations.

Several participants also noted that global investors increasingly evaluate opportunities from a **regional perspective**, rather than focusing on individual countries alone. As a result, the stability and attractiveness of the broader region play an important role in shaping investment decisions.

4. Operational Realities and Business Continuity

Participants provided insights into the operational situation in different countries across the region.

Despite some disruptions related to logistics and transportation, particularly aviation routes and airport operations, most countries continue to maintain normal economic activity and business operations. In several cases, airlines have temporarily rerouted flights through neighboring countries or adjusted routes to ensure continuity of operations.



Participants emphasized that while the situation is not entirely “business as usual,” businesses across most sectors remain operational and economic activity continues across the region.

In some countries, precautionary measures have led to temporary adjustments, such as reduced travel capacity or logistical changes. Nevertheless, production activities and investment projects have generally continued without major interruptions.

5. Investor Aftercare and Government Support

A recurring theme throughout the discussion was the **critical importance of investment aftercare** during times of uncertainty.

Participants emphasized that maintaining close communication with existing investors has become a top priority for IPAs and governments. Investment authorities have intensified engagement with companies already operating in their countries, providing reassurance, responding to operational concerns, and ensuring access to relevant government support.

Many investment authorities reported maintaining daily or frequent communication with investors to ensure their needs are addressed quickly and effectively. Governments have also increased coordination across ministries and agencies to monitor developments and respond to investor concerns.

Participants highlighted that strong aftercare practices not only help maintain existing investments but also reinforce investor confidence and strengthen long-term partnerships.

6. Perception Versus Reality

Participants also noted that **international media coverage sometimes presents a more severe picture of the situation than what is experienced on the ground.**

While certain incidents and disruptions have occurred, daily life and economic activities in many countries across the region continue largely as normal. Businesses remain operational, offices remain open, and commercial activity continues across most sectors.

Participants stressed that addressing this gap between perception and reality is important for maintaining investor confidence. Providing clear, accurate, and timely information to international investors is therefore a critical role for investment promotion agencies during such periods.



7. Emerging Investment Opportunities and Sectoral Dynamics

Despite the challenges posed by the current situation, participants highlighted that certain sectors are experiencing **increased demand and strategic importance**.

In particular, sectors related to **security, defense technologies, logistics, and infrastructure protection** are receiving increased government attention and investment. Rising demand in these sectors has created new opportunities for companies already operating in the region as well as for international investors specializing in these areas.

Participants also noted the importance of maintaining operational continuity in strategic industries, particularly **energy production and export infrastructure**, which remain vital both for national economies and for global energy markets.

Beyond immediate security-related sectors, participants highlighted the potential for continued growth in areas such as **technology, healthcare, agritech, telecommunications, and industrial development**, particularly as countries seek to strengthen economic resilience and supply chain capabilities.

8. Supply Chain Transformation and Strategic Positioning

Participants noted that broader global trends, including **nearshoring, friendshoring, and supply chain diversification**, are already reshaping global investment patterns.

These trends present potential opportunities for countries in the Middle East and surrounding regions to attract new investment projects, particularly in manufacturing, services, and logistics sectors.

Even during periods of uncertainty, countries that maintain strong institutions, transparent communication, and supportive investment policies may continue to attract investors seeking stable locations for regional operations.

9. Regional Cooperation and Solidarity

The discussion highlighted strong regional solidarity among countries in the Middle East and GCC.

Participants emphasized that governments across the region remain committed to maintaining economic stability and supporting investors. Cooperation between



neighboring countries has also helped mitigate certain logistical challenges, including facilitating transportation routes and maintaining connectivity.

This spirit of collaboration was seen as an important factor in reinforcing investor confidence and demonstrating the resilience of the regional investment environment.

Participants also highlighted that regional leadership has prioritized diplomatic approaches and de-escalation efforts, which contributes to maintaining stability and economic continuity.

10. The Role of WAIPA

Participants highlighted several ways in which WAIPA can support investment promotion agencies and reinforce investor confidence during this period.

A key role identified for WAIPA is facilitating **dialogue and information exchange** among IPAs, allowing them to share experiences, monitor investor sentiment, and exchange best practices for managing investment promotion activities during times of uncertainty.

WAIPA can also contribute by supporting coordinated communication efforts aimed at providing investors with accurate information about the investment environment in the region.

Participants emphasized that platforms such as this roundtable play an important role in strengthening collaboration among IPAs and ensuring that investment promotion efforts remain aligned across countries.

11. Preparing for the Post-Conflict Investment Environment

Participants agreed that it is important not only to respond to the current situation but also to prepare proactively for the next phase once geopolitical tensions ease.

This preparation includes maintaining dialogue with investors, understanding their expectations, and identifying sectors that may experience renewed investment interest after stability returns.

Investment promotion agencies were encouraged to remain engaged with investors, gather insights into their plans and concerns, and position their countries to capture investment opportunities once the situation stabilizes.



12. Proposed Follow-Up Actions

Several practical follow-up actions were discussed during the roundtable.

Regular Dialogue Among IPAs

Participants suggested organizing similar roundtable discussions on a periodic basis in order to continue monitoring developments and exchanging insights. One proposal involved holding follow-up sessions every few weeks to maintain an ongoing dialogue.

Participants also highlighted that **continued dialogue among IPAs can strengthen regional cooperation and support coordinated approaches to promoting the Middle East as a competitive and resilient investment destination.**

Regional Investor Survey

Another proposal involved conducting a survey among investors operating in the region to better understand their expectations, concerns, and investment plans during the current period of uncertainty. Such a survey could help IPAs maintain a clear understanding of investor sentiment and inform future policy responses.

Participants also noted that the survey could include feedback from **existing investors already operating successfully in the region**, helping IPAs better understand their experiences and identify ways to further strengthen aftercare services.

Enhanced Communication Channels

Participants also discussed the possibility of establishing communication channels among participating IPAs to facilitate the continuous exchange of information and insights between meetings.

Strengthening these communication mechanisms could also support **greater regional coordination in investment promotion efforts**, as well as the sharing of best practices in investor aftercare and support services.

Strengthening Investor Aftercare

Participants highlighted the value of further strengthening **aftercare programs aimed at supporting existing investors**, including regular consultations, targeted support mechanisms, and the exchange of best practices among IPAs in the region.

Such initiatives were seen as important for ensuring that companies already operating in the region remain confident in their investment decisions and continue expanding their activities.



13. Conclusion

The roundtable discussion highlighted both the challenges and the resilience of the Middle East investment landscape during the current geopolitical situation.

While uncertainty has influenced investor decision-making in the short term, participants emphasized that the region's economic fundamentals remain strong and that governments remain committed to maintaining stable and attractive investment environments.

Participants widely agreed that **supporting existing investors through strong aftercare services will remain a key pillar of investment promotion strategies during this period**. Ensuring that companies already established in the region continue to operate successfully and expand their activities was seen as one of the most effective ways to sustain investor confidence.

The discussion also underscored the importance of **strengthening regional cooperation among investment promotion agencies**, enabling countries to collectively reinforce the attractiveness of the Middle East as a competitive investment destination and to present the region as an integrated and resilient market for international investors.

Participants also emphasized the importance of preparing for the next phase, ensuring that the region remains well positioned to attract and retain foreign direct investment once geopolitical tensions ease.

WAIPA's role as a global platform for cooperation and knowledge exchange among investment promotion agencies was widely recognized as particularly valuable in supporting members during this period and helping ensure that FDI continues to contribute to the region's sustainable development.