CT EXECUTIVE SEARCH

OCTOBER 2026

NEWSLETTER INTERNATIONAL



ENGLISH VERSION

THE GULF REGION

THE GULF REGION IN TRANSITION: MARKET DEVELOPMENTS, LAW AND EXECUTIVE RECRUITMENT



P. 2

INTERVIEW:

Dr. Martin Henkelmann

"COMPANIES RESPOND TO THE SITUATION IN A VERY LEVEL-HEADED AND RESILIENT MANNER." ▶



P. 5

INTERVIEW:

Philipp Bremer

"PROJECTS ARE RARELY CANCELED; RATHER, THEY ARE EXTENDED OR DIVIDED INTO PHASES." ▶



P. 9

INTERVIEW:

Gaurang Prajapati

"THE GREATEST VALUE COMES FROM COMBINING INTERNATIONAL LEADERSHIP EXPERTISE WITH STRONG LOCAL CAPABILITIES." ▶

"COMPANIES RESPOND TO THE SITUATION IN A VERY LEVEL-HEADED AND RESILIENT MANNER."



Dr. Martin Henkelmann
CEO at German-Emirati Joint Council for Industry and Commerce (AHK)

How are German companies in the UAE responding to the geopolitical tensions in the Gulf region?

For German companies, the region has been an important sales market and investment location for decades. Economic ties have continued to strengthen in recent years. This is particularly evident in the case of the United Arab Emirates. With an export volume of 11.4 billion euros in 2025, it is Germany's most important sales market in the region. At the same time, the UAE has established itself as a major international trade and logistics hub between Europe, Asia, and Africa.

Current developments are affecting local businesses. Disrupted or delayed supply chains, rising transportation, insurance, and energy costs, as well as declining demand in some sectors, are putting pressure on industries. This is also reflected in trade figures. Exports of metals and metal goods, vehicles, and food and agricultural products were particularly affected.

At the same time, companies respond to the situation in a resilient manner. So far, we have seen no significant signs of businesses reconsidering or scaling back their operations in the UAE.

Instead, companies are closely monitoring developments and adjusting their strategies as needed. They benefit from the fact that many German companies consider the UAE to be not just a sales market, but a regional hub from which they serve other markets in Africa, North Africa, and Asia. This broad regional presence can help partially offset temporary declines in individual markets.

The recent government talks and announced investments have given new momentum to the economic partnership between Germany and the UAE. What business sectors do you see the greatest opportunities in, for German small and medium-sized enterprises?

Indeed, the recent state visit by His Highness Sheikh Mohamed bin Zayed Al Nahyan to Germany has provided further important momentum to the long-standing economic relationship between Germany and the UAE.

The 40 billion euro investment package for Germany announced by the UAE covers key sectors such as energy, industry, infrastructure, and technology.

For German small and medium-sized enterprises, it is not only direct investments that are of interest.

Opportunities are also emerging as technology partners, suppliers, and specialized service providers for larger investment projects. Companies that possess specific technical expertise and can implement projects in collaboration with larger industrial or infrastructure partners are particularly relevant.

About 30 B2B agreements and letters of intent were signed during the visit, with a total value of nearly 10 billion euros. This emphasises the depth and ambition of this partnership on the corporate side.

German companies can benefit from this momentum. We see significant opportunities, particularly, in the areas of energy and sustainability, digitalization and artificial intelligence, industrial technologies, as well as the healthcare sector and infrastructure.

The UAE is pursuing ambitious strategies to diversify its economy, and is making targeted investments in future technologies, the expansion of its industrial base, and the transformation of key economic sectors.

This is precisely where the strengths of many German small and medium-sized enterprises lie, particularly, in specialized technologies, engineering services, and innovative solutions.

In your opinion, what pitfalls do German companies often overlook when entering the market in the region?

A common pitfall is viewing the region as a single, unified market. While the UAE can serve as a regional hub, the individual markets differ significantly in terms of their legal frameworks, business cultures, and market requirements.

Also, companies may underestimate the importance of a local presence and personal relationships or enter into partnerships without having sufficiently vetted potential business partners. Careful preparation, in-depth market knowledge, and selecting the right partners are crucial. At the same time, patience is key. The competition is fierce, and building sustainable business relationships requires time, presence, and ongoing commitment.

CAREFUL PREPARATION, IN-DEPTH MARKET KNOWLEDGE, AND SELECTING THE RIGHT PARTNERS ARE CRUCIAL.

For German small and medium-sized enterprises (SMEs) in particular, it is therefore important to develop a clear market strategy, allocate sufficient resources, and gain a thorough understanding of local conditions. The UAE offers attractive opportunities, but sustainable success is achieved above all when companies view the market not merely as an export destination, but as a long-term location for their regional activities.

This is exactly where the AHK comes in. As a neutral and reliable partner, we support German companies in better understanding the market, realistically assessing

business opportunities, and establishing appropriate contacts. In this way, we assist companies in a well-prepared market entry and lay the foundation for long-term success in the region.

German companies face competitors from all over the world in the UAE, particularly, from China and other Asian countries. How has the competitive landscape changed in recent years?

The UAE market has become increasingly international and competitive in recent years, with a broader range of players and a more dynamic business environment. Companies from Asian countries are increasingly present and are bringing new technologies, innovative products, and a high degree of flexibility to the market at extremely competitive prices.

This trend is, for example, evident in the field of electric mobility, where Asian manufacturers have been gaining a stronger foothold in recent years and are generating growing interest among consumers with attractive models.

For German companies, this development means they must leverage their strengths in a targeted manner while keeping market needs in mind. German products and solutions have traditionally stood for quality, engineering expertise, and reliability. At the same time, the pace of innovation, value for money, and adaptation to local requirements are becoming increasingly important.

THE PACE OF INNOVATION, VALUE FOR MONEY, AND ADAPTATION TO LOCAL REQUIREMENTS ARE BECOMING I IMPORTANT.

In September 2026, the UAE announced investments totalling 40 billion euros in Germany, including in industry, energy, and digital infrastructure. What key technologies do both countries complement each other particularly well in?

As mentioned earlier, we see particularly great potential for innovative technologies in the fields of energy, industry, artificial intelligence, and digitalization, as well as defence and security. Both countries bring different, but highly complementary strengths to the table in these areas.

In the energy sector, the UAE's investment capacity and its experience in the energy sector can be combined with German technologies and engineering expertise, for example in renewable energy, hydrogen, and the development of new energy solutions.

There are also concrete opportunities in the fields of artificial intelligence and digital infrastructure. One example is the planned Emirati investments in new data centres in Germany. Here, the UAE's willingness to invest and its ambitions in the field of digital technologies align with Germany's industrial and technological expertise.

Furthermore, both countries aim to expand their cooperation in the areas of defence, including technology, and security. There is potential for closer collaboration and joint technological developments here as well.

It is crucial that we leverage these complementary strengths to further expand concrete projects and long-term business relationships. The announced investments provide an important opportunity to do so.

"PROJECTS ARE RARELY CANCELED; RATHER, THEY ARE EXTENDED OR DIVIDED INTO PHASES."



Philipp Bremer
MIDEAST Legal,
Attorney at Law (Germany),
Senior Associate

The Gulf region is currently under considerable geopolitical and economic pressure. Have these developments affected your law firm's practice, and client requests?

It should be noted that there is a clear difference between clients who are familiar with the region, and those who are looking into market entry or investment opportunities. The former are less anxious about the current situation. Companies in the planning phase, on the other hand, are significantly more cautious, and are currently taking a wait-and-see approach. Many have informed us that they have postponed their plans until 2027. Since the start of the war with Iran on February 28, and the near-total blockade of the Strait of Hormuz, many clients have put market entry, licensing, and joint venture projects on hold.

Nevertheless, our workload has not decreased. However, it has changed in some respects. Projects are rarely cancelled. Instead, they are extended or divided into phases. There has been a significant increase in contract reviews, particularly, regarding force majeure clauses, material adverse change clauses, termination rights, and payment guarantees. In addition, we are handling receivables management, dispute resolution, and the restructuring of existing contracts.

At the same time, it is important to bear in mind that there is no such thing as "the" Gulf region. It is not a unified market. Qatar, Kuwait, Bahrain, the UAE, and Saudi Arabia differ significantly. The IMF expects most countries in the region to experience a 3.5 – 15% decline in economic output in 2026. Saudi Arabia is currently under additional pressure due to attacks by Houthi rebels. Since the start of the war, Oman has benefited as a neutral location and logistical alternative with its ports of Duqm, Sohar, and Salalah. The UAE is proving remarkably resilient in local business, and investor interest in Qatar remains strong despite the cuts in LNG exports.

In summary, our clients are acting more cautiously and selectively, and are currently seeking short-term, practical risk assessments rather than long-term growth strategies. Hardly anyone is willing to give up. Even the IMF expects a significant recovery by 2027. Those who structure and invest strategically and thoughtfully now, will still be significantly better positioned than those who decide to consider market entry only when things pick up.

How can small and medium-sized enterprises, in particular, protect themselves against geopolitical and economic risks in the Gulf region? What challenges should German investors prepare for in the medium to long term?

Indeed, it should be expected that the region will remain volatile and risky in the medium to long term. At the same time, the individual countries, especially, Saudi Arabia and the UAE are immensely important as markets, investment destinations, and investors. In all, taking into consideration the current global developments, the MENA region, with its growing markets, young population, and production capabilities continues to offer many advantages. The Gulf region is best understood as a portfolio of various markets and opportunities. Furthermore, four of the world's ten largest sovereign wealth funds are located in the Gulf region.

THE GULF REGION IS BEST UNDERSTOOD AS A PORTFOLIO OF VARIOUS MARKETS AND OPPORTUNITIES.

In light of the complexity of the current situation, it is important to seek legal advice from an expert in the region, from the onset.

In our opinion, a phased market entry makes sense. It helps limit risk, particularly, for small and medium-sized enterprises. Companies should first test the waters with distribution, agency, or project contracts before committing capital, inventory, or exclusive rights.

Furthermore, it is important to protect liquidity and diversify dependencies.

Companies that have the opportunity to keep their working capital outside the region, and arrange for advance payments, milestone payments, letters of credit, and bank guarantees minimize their risk. Risk is also reduced when alternative suppliers, transportation routes, and regional fallback options are factored into the plan.

Existing risks should also be hedged. Investment guarantees and export credit guarantees from the federal government, as well as private political risk insurance should always be reviewed. Existing policies should be analysed for war and terrorism exclusions. Germany's bilateral investment protection treaties with countries in the Gulf region also offer additional protection.

Last but not least: The choice between an onshore company, a branch office, or a free zone should be based on the nature of the business, licensing requirements, and customer access, and requires thorough preparation. In most cases, 100% foreign ownership is now possible, so a local co-partner is often no longer necessary.

For the time being, investors should expect slower growth, fiscal consolidation, and delayed payments from public sector clients, as well as a reprioritization of major government projects, particularly, in Saudi Arabia. Localization requirements, known as "Saudization," "Omanization," and "Emiratization" remain in place, even as market growth slows in individual countries. Added to this are fluctuating freight, insurance, and energy costs; local regulations in labour, data protection, and tax law are also constantly changing. The best way to summarize the approach in the region is with the saying: Better safe than sorry, but go for it, nonetheless.

Given the current uncertainties, which contractual provisions are particularly important?

Many retrospective contract reviews have revealed that war and conflicts are often not covered by the force majeure clause, or that the clause is drafted in a way that disadvantages the foreign contracting party. Anyone entering into a contract these days is also aware of the current specific circumstances. Without an explicit, detailed provision, it will be nearly impossible for anyone to later invoke unforeseeable circumstances.

The force majeure clause should therefore, ideally, specify concrete events: examples include war, missile and drone attacks, closures of airspace, airports, and ports, blockades of shipping lanes, sanctions, and cyberattacks. Furthermore, contracts should include obligations to notify and provide evidence, provisions for mitigation of damages, and a right of withdrawal or termination in the event of prolonged occurrences. Known risks and their potential escalation should be considered and explicitly addressed.

In addition to the force majeure clause, other situations should be anticipated. For example, when performance is not impossible, but is associated with a significant increase in cost. Objective adjustment mechanisms for freight, insurance, and materials, as well as provisions addressing currency risk, are more reliable than judicial contract adjustment under local civil law.

In addition, contracts should include clauses to secure payment: clear milestones and acceptance criteria, guarantees, a retention of title (if legally possible), and short payment terms. A "pay-when-paid" dependency on the partner's end customer should be avoided.

Furthermore, suspension and termination rights should be agreed upon in the event that the service becomes unlawful. For example, as a result of sanctions or export controls, or if permits are revoked. The termination of the agreement should also always be considered, with a clear trigger for termination or an end date, and provisions addressing the consequences of termination, particularly, payment for services rendered and the return of guarantees.

Finally, the choice of governing law and the method of dispute resolution are, in my view, the most important factors in the contract. As a general rule, arbitration is recommended, with a clearly defined seat and institution, such as the ICC, DIS, or regional centres like the SCCA, QICCA, DIAC, and OCAC. All four countries, Saudi Arabia, Qatar, the UAE, and Oman are signatories to the New York Convention. It is important to note that mandatory Sharia-based laws, such as those regarding interest and contractual penalties, should already be taken into account here.

In addition to the details of the contract, one should always consider what is documented and how. For example, anyone who immediately records delays and significant events will be in a much better position later on to enforce their rights if necessary. Finally, attention must also be paid to the Arabic-language versions, registration requirements, and signing authorities.

What criteria should German companies give special consideration to when selecting and vetting local partners?

It is important to carefully consider in advance why the local partner is needed and what exactly their role should be. More important than contacts or claimed influence are the partner's substance, financial strength, and transparency in the collaboration.

The local partner should be thoroughly vetted in advance. In addition to the standard legal identity and UBO checks, particular attention should be paid to financial resilience, integrity, and compliance; performance and crisis management; potential conflicts of interest; and issues related to governance and exit strategies.

To the extent possible, audited financial statements, bank references, and payment history should be reviewed. Research should also be conducted to determine the extent of any dependence on a small number of customers or delayed government payments. Unfortunately, even prominent shareholders or close ties to the public sector do not guarantee payment.

Political connections require careful scrutiny, but are not automatically grounds for exclusion. Sanctions, money laundering, and Politically Exposed Persons' (PEP) screenings should always be conducted in accordance with EU law and German due diligence requirements in the supply chain.

It makes sense to obtain references from European and local partners, and to find out how the potential partner has behaved in past disputes or crisis situations, such as the current one, and how well-prepared it is in terms of personnel, technology, and emergency planning.

Our experience shows that conflicts of interest are more common than assumed. Competing product lines, commissions, and subcontractors should be disclosed whenever possible. Exclusivity should be tied to measurable performance, and should not be granted indefinitely.

In the case of joint ventures, clear rules regarding deadlocks and exit strategies should be negotiated. For sales representatives and authorized dealers, local protective regulations should be reviewed early on. As a general rule, reporting and audit rights, as well as approval requirements, should be stipulated.

And finally, one thing should not be underestimated: genuine trust can only be built on the ground. In the Gulf region, nothing can replace a personal presence, direct communication, and the early involvement of local legal and tax advisors.

NOTHING CAN REPLACE A PERSONAL PRESENCE, DIRECT COMMUNICATION, AND THE EARLY INVOLVEMENT OF LOCAL LEGAL AND TAX ADVISORS.

"THE GREATEST VALUE COMES FROM COMBINING INTERNATIONAL LEADERSHIP EXPERTISE WITH STRONG LOCAL CAPABILITIES."



Gaurang Prajapati
Director – GCC Business & Strategy,
CT Executive Search

How do current market dynamics in the GCC shape the leadership priorities of family businesses and private equity firms?

Market dynamic is currently moving in two directions at once. Long-term initiatives like Saudi Vision 2030 keep driving steady investment. At the same time, ongoing regional volatility, shifting trade routes, and broader economic uncertainty are forcing local top management to look at their operational risks.

For family-owned businesses, which make up the vast majority of the private sector, these market pressures overlap with a generational transition from second- to third-generation leadership. As a result, more families are separating strategic management and the control from day-to-day operations. When companies look to protect their assets, manage supply chain exposure, or prepare for potential IPOs and investor partnerships, bringing in experienced external C-suite managers becomes a key consideration. The company is looking for executives who can establish internationally competitive processes without compromising the founding families' core business principles.

In private equity, the market shift has pushed operational resilience straight to the top of the agenda. With investors focusing heavily on active value creation, portfolio companies need CEOs and CFOs who can protect liquidity, manage working capital, and handle buy-and-build integrations effectively in a changing market.

What C-suite roles have the highest demand for European executives?

One of the biggest challenges in the Gulf region is finding executives who can successfully implement ambitious investment plans. This is particularly evident in advanced manufacturing, energy, logistics and digital infrastructure, where specialized technical expertise is particularly required.

European executives are relevant for CEO, COO, CFO and Chief Technology or Digital Transformation Officer roles. Their experience in managing complex industrial operations, improving productivity and implementing advanced technologies can bring considerable value to local enterprises.

The closer cooperation between European and GCC businesses in industry, energy and technology may further strengthen demand for such expertise.

The greatest added value comes from combining international leadership expertise with knowledge of the realities in the Gulf region.

What differences do you observe in executive recruitment for Saudi Arabia, the UAE and Qatar?

While Saudi Arabia, the UAE and Qatar share ambitious economic diversification goals, their executive recruitment priorities differ considerably.

Saudi Arabia continues to create new leadership opportunities through Vision 2030, particularly in production and infrastructure. Companies are looking for executives with proven experience in building businesses, project management, and leading Saudi teams. Long-term commitment and local market understanding are essential.

The UAE has a highly international and dynamic labor market. The UAE has a highly international and dynamic labour market. Since many companies based in Dubai and Abu Dhabi operate in the Middle East, Africa, and Asia, there is particularly strong demand for sales-oriented executives who can drive regional expansion. International exposure is particularly highly valued here.

Qatar offers more specialised opportunities, particularly in energy, industrial services, logistics and technology. Executive recruitment is more driven by sector-specific expertise.

Across these markets, personal relationships and credibility remain fundamental. Executive Search in the Golf region requires an understanding of each country's business culture, economic priorities and leadership expectations.

What approach proves most effective when engaging top-tier international leaders?

Engaging senior executives begins with understanding their professional ambitions and what would genuinely motivate them to consider a new job.

At this level, compensation and title alone rarely determine a decision. Experienced leaders want clarity about the company's strategic direction, shareholder expectations, decision-making authority and the impact they can make.

Therefore, a personalised, confidential approach is essential. We focus on communicating the strategic importance of the mandate and the long-term value it offers both the executive and the organisation.

Given recent regional developments, transparent discussions around business outlook, relocation and family considerations are important in building trust.

Ultimately, successful executive search is about building trust and establishing the right long-term match between leadership capability, organisational culture and business ambitions.

SUCCESSFUL EXECUTIVE SEARCH REQUIRES AN UNDERSTANDING OF EACH COUNTRY'S BUSINESS CULTURE, ECONOMIC PRIORITIES AND LEADERSHIP EXPECTATIONS.

EXECUTIVE SEARCH



EXECUTIVE SEARCH IN EUROPE, INDIA AND THE MIDDLE EAST

CT Executive Search supports international companies in identifying and recruiting outstanding executives across Europe, India and the Middle East, combining deep local market knowledge with international management expertise. Our international team specialises in cross-border leadership appointments for globally operating mid-sized companies seeking to enter new markets, strengthen local operations or accelerate regional growth.

★ CT Executive Search Central Office ● International Offices / Research Capabilities

BERLIN

CT Executive Search Europe GmbH
Central Office
Französische Str. 12
10117 Berlin, Germany
Telephone: +49 30 201 88 370
E-mail: office@ct-executive.com

