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MARKET ANALYSIS

The Middle East deals market opened 2026 with sustained activity. Q1 saw a number of high-value transactions across infrastructure, tech and energy. The volume reflects broader shifts underway in the region's economic composition, with capital continuing to move in line with longer-term structural trends.

Market analysis: Q1 2026

Country	Deal count	Deal value (\$USD)
Israel	112	\$19.7bn
United Arab Emirates	33	\$2.2bn
Saudi Arabia	24	\$689m
Oman	7	\$535m
Egypt	8	\$22m
Morocco	5	\$106m
Kuwait	3	\$24m
Qatar	4	-

Sector performance analysis

Transportation stole the headline with \$8.2bn across 9 transactions, proof that when the region backs infrastructure, it backs it hard.

Technology was the volume story of the quarter: 68 deals worth \$7.3bn, as the race to digitise, automate and innovate shows no sign of slowing.

Energy and natural resources delivered \$2.2bn across 18 deals. Traditional energy still moves markets, but the transition story is gaining real traction.

Healthcare posted \$1.9bn across 19 transactions, as the region builds out the medical capacity and life sciences capability its growing population demands.

Industrials contributed \$1.6bn across 23 deals, driven by national ambitions to manufacture more, import less, and build lasting industrial foundations.

Communications, media and entertainment brought in \$740m across 7 deals. The region's entertainment sector is finding its footing and its funding.

Key market drivers

Economic diversification:

Vision 2030 and the UAE's national development agenda aren't just policy frameworks, they're deal engines. Structural reform is translating directly into strategic capital deployment and sustained cross-border interest.

Technology and digital transformation:

With 68 tech deals in a single quarter, this isn't a trend, it's a defining feature of the regional market. AI, fintech, and enterprise software are attracting serious, sustained capital from PE firms and corporates alike.

Cross-border ambition:

Middle Eastern acquirers are thinking globally. International partnerships and outbound acquisitions reflect a region that's confident in its capital, its strategy, and its place on the world stage.

Sovereign wealth funds:

The region's SWFs continue to operate as a powerful force of gravity – drawing deals in, deploying capital at scale, and anchoring activity in sectors that matter most to long-term national development.

Source: Mergermarket. Analysis based on announced/rumoured transactions from January 1 to March 31, 2026, across Middle East markets including Israel, UAE, Saudi Arabia, Oman, Egypt, Morocco, Kuwait and Qatar.

Market outlook

Transportation and technology will likely lead the deal conversation through the rest of 2026, while healthcare and industrials continue to attract strategic buyers with long-term mandates. The underlying momentum in the region continues despite ongoing geopolitical uncertainty.

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