

Cross-Border M&A in 2026: Why the Middle East and Africa Are Becoming the Deal Story of the Year

By Gilad Berkowitz, Esq.

A look at the capital flows, sector bets, and geopolitical crosscurrents reshaping dealmaking across the Gulf and the African continent

Global Merger & Acquisition participants have spent 2026 rediscovering its appetite for scale, but the recovery is not evenly distributed.

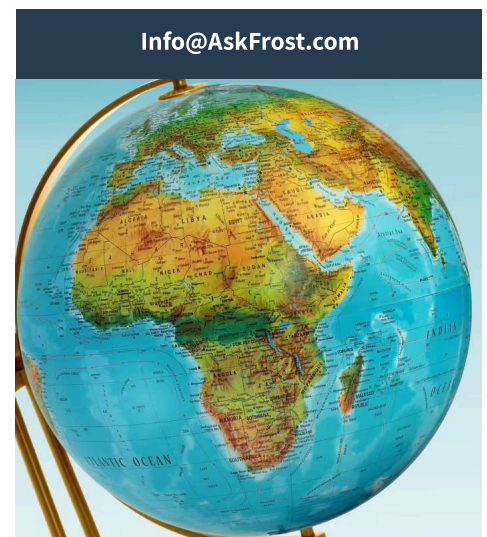
While the Americas continue to absorb the lion's share of deal value on the back of United States megadeals, the more interesting story for cross-border dealmakers is unfolding along a different axis entirely — the corridor connecting the Persian Gulf and the African continent. From sovereign wealth funds rewriting the rules of infrastructure ownership to a wave of fintech consolidation from Lagos to Nairobi, the Middle East and Africa (MEA) region has become one of the few places where cross-border M&A is not just recovering, but actively being redefined.

PwC's mid-year outlook shows the Americas capturing 61% of global deal value in early 2026 despite representing only 28% of deal volume, a concentration driven largely by US megadeals.¹ MEA's share of value rose too, but on the back of a much more selective, strategically driven set of transactions.²

The Middle East: Inward-Looking, But Far From Quiet

The defining feature of Middle Eastern M&A in 2026 has not been a retreat from dealmaking, but a change in its geography. Rather than chasing cross-border expansion into less familiar markets, Gulf corporates and sovereign-linked investors have turned much of their attention inward.

Intra-regional transactions rose to roughly 320 deals in the past year, accounting for around half of total Middle East M&A activity, with capital circulating primarily between the UAE, Saudi Arabia, and Egypt.³ Regulatory familiarity and



lower execution risk have made domestic and near-neighbor deals more attractive than uncertain cross-border expansion, reinforcing these three markets as the region's core hubs.

That inward tilt sits alongside genuine resilience. Deal value in the Middle East rose 3% year-on-year to about \$21 billion even as Europe's deal value slipped, and the Middle East and Africa together logged 260 “for-sale” stories, positioning the region as one of the more dynamic pockets of dealmaking heading into 2026.

Regional conflict has added a layer of complexity that dealmakers are learning to price rather than avoid. Analysts drawing on precedent from Ukraine's wartime M&A market note that activity typically slows immediately after an escalation, due to valuation gaps and financing constraints, but rarely disappears. Instead, it becomes more selective, concentrating on distressed assets, essential services, and sectors tied to long-term strategic need.

Gulf Capital's African Turn

If 2025 was the year Gulf sovereign wealth funds cemented their position as the most active pool of state capital globally, 2026 is the year that capital visibly turned toward Africa. The scale is striking: UAE investment into Africa totaled an estimated \$118 billion between 2020 and 2024, and Gulf sovereign funds deployed \$66 billion into AI and digitalization projects in 2025 alone.⁴

This is not simply aid, and analysts are increasingly blunt about the intent behind it. Chatham House's assessment, cited in recent coverage of the Africa–Middle East Corridor, frames Gulf capital in Africa as concentrated in strategic sectors — ports, logistics, agriculture, energy, and critical

minerals — that shape trade flows and secure long-term influence over supply chains rather than pursue development returns in the traditional sense.⁵

The infrastructure behind this shift is being built in real time. In June 2026, sovereign wealth funds, commercial banks, and development finance institutions launched the Africa–Middle East Corridor initiative in Dubai, aimed at mobilizing capital for African infrastructure and deepening the continent's debt capital markets.

Some illustrative transactions and commitments driving this trend:

- DP World has set a 2026 capital expenditure budget of roughly \$3 billion, funding projects including the Ndayane deep-water port in Senegal and the Banana port in the Democratic Republic of Congo, positioned at the mouth of the DRC's key mineral export artery.
- AD Ports Group plans to invest AED 2.45 billion (about \$667 million) in port infrastructure in 2026, part of a broader push for long-term concessions — 20 to 30 years in some cases — that give Gulf firms operational control rather than short-term trade access.
- Saudi Arabia has paired mining investments with Red Sea port access, positioning itself as both buyer and logistics partner for African critical minerals used in batteries and the energy transition.
- Egypt has emerged as a primary beneficiary in North Africa, with Saudi Arabia's Public Investment Fund deepening its footprint through the Saudi Egyptian Investment Company, launched in 2022 as one of six Public Investment Fund regional investment vehicles that collectively carry a potential portfolio of up to \$24 billion across real estate, energy, telecoms, and logistics markets region-wide (not an Egypt-specific figure), while

Abu Dhabi's ADQ has invested more than \$10 billion in Egyptian healthcare, energy, and transportation assets.⁶

This momentum is not immune to regional security shocks. Coverage of the 2026 conflict involving Iran notes that continued tension could push Gulf sovereign funds to redirect resources toward domestic stabilization and defense, making African investment more selective and more explicitly tied to strategic interest rather than broader development goals.

Africa's Own Consolidation Story

Africa's M&A market had a genuinely difficult 2025 by the numbers — deal value fell 14% to roughly \$12 billion — but the underlying narrative for 2026 is one of consolidation and growing confidence rather than retreat.

The single biggest structural tailwind is regulatory: The African Continental Free Trade Area (AfCFTA) is gradually reducing trade barriers and encouraging cross-border investment, with the World Bank estimating the agreement could add \$450 billion to African incomes by 2035 and lift 30 million people out of extreme poverty. Regional blocs such as the Southern African Development Community, ECOWAS, and the East African Community are working in parallel to harmonize regulation, which should make cross-border deal execution progressively easier.

Nowhere is this consolidation clearer than in African tech. The continent's tech ecosystem recorded 67 reported M&A transactions in 2025 — fintech alone accounted for 31 of those, or about 46%, the largest single category, a 72% jump from 2024 and well above the previous record of 40 deals set in 2022.⁷

Regulation is as much a driver of this wave as ambition. In Nigeria, the central bank's push to “clean up” the fintech sector is pushing license consolidation and acquisitions as a faster, cheaper route to compliance than building from scratch, while companies increasingly use M&A to lock in proprietary data, AI tooling, and vertically integrated supply chains — as seen in Kenyan foodtech Twiga Foods' acquisition of three distributors, or Moroccan e-commerce group ORA Technologies' purchase of last-mile logistics player Cathedis.

Sovereign and Gulf capital is a direct participant in this consolidation wave too, not just an outside investor: sovereign wealth funds from the Middle East and Asia are expanding across African infrastructure, renewable energy, logistics, and agribusiness, often as anchor investors behind the very consolidation described above.

There is also a widening infrastructure gap that Gulf and other investors are racing to close. Africa holds less than 1% of global data center capacity despite a fast-growing, young, increasingly digital population, a gap reflected in commitments such as a reported \$1 billion UAE pledge to expand AI infrastructure across the continent.⁸

Sector Spotlight: Where the Deals Are Concentrated Ports, logistics, and critical minerals

Long-term concession structures are replacing one-off infrastructure deals, giving Gulf operators multi-decade control over African terminals in exchange for capital and technical expertise — a model that pairs naturally with mineral supply-chain security ambitions.

Telecommunications

Telecom M&A globally stayed roughly flat at \$65 billion in the first half of 2026, but EMEA led regional activity, anchored by the \$24 billion combination of Altice France's SFR business with a consortium of Bouygues, Iliad, and Orange — a reminder that scale deals, not cross-border expansion, remain the dominant telecom pattern even within EMEA.

AI and digital infrastructure

Artificial intelligence has become both a deal driver and a deal target across the region: Gulf funds are acquiring AI capability rather than building it from scratch, while African data-center and digital-infrastructure investment is emerging as one of the fastest-growing categories of Gulf-backed M&A and infrastructure finance on the continent.

What This Means for Dealmakers

- Expect continued sovereign-linked dominance. Gulf sovereign wealth funds, which control roughly 40% of global SWF assets, are likely to remain the most consequential cross-border acquirers touching both the Middle East and Africa through the remainder of 2026.
- Geography is becoming more selective, not less active. Intra-regional Gulf consolidation and targeted African corridor investment (ports, minerals, digital infrastructure) are crowding out more speculative, geographically diffuse cross-border bets.
- Regulation is a deal catalyst in Africa. The African Continental Free Trade Area's (AfCTA) implementation and national regulatory clean-ups (as in Nigerian fintech) are pushing consolidation as a compliance strategy, not just a growth strategy.
- Geopolitical risk is being priced, not avoided. Dealmakers with exposure to the region are increasingly

treating regional conflict as a variable to underwrite around — favoring distressed and strategically essential assets — rather than a reason to exit entirely.

Taken together, the Middle East and Africa are no longer a peripheral chapter in the global M&A story. They are becoming a live test case for how capital moves when trade routes, technology access, and critical minerals — rather than pure financial arbitrage — are the primary logic behind a deal.

Frost Law continues to monitor global M&A trends and is strategically positioned with its international practice group to assist in a wide variety of cross-border matters including complex transactions that span the global network. Attorneys at Frost Law possess experience in both public and private M&A with a cross-border emphasis and combined with strong international tax advisory services can provide effective counsel to any multinational entity doing business globally.

For help with global M&A and other cross-border matters, you can **[schedule a consultation](#)** with Frost Law or call us at **[\(410\) 497-5947](#)**.

More News Articles



Footnotes

1. PwC, "Global M&A industry trends: 2026 mid-year outlook," <https://www.pwc.com/gx/en/services/deals/trends.html>
2. Consultancy-me.com, "Middle East's M&A landscape enters 2026 with strong momentum," February 2026, <https://www.consultancy-me.com/news/12766/middle-east-s-ma-landscape-enters-2026-with-strong-momentum>
3. Datasite, "Market Spotlight: Regional trends to shape EMEA M&A in 2026," January 2026, <https://www.datasite.com/en/resources/insights/market-spotlight-regional-trends-shape-emea-m-and-a-in-2026>
4. FurtherAfrica, "Africa Gulf AI Infrastructure Investment Frontier," April 2026, <https://furtherafrica.com/2026/04/27/africa-gulf-ai-infrastructure-investment/>
5. Model Diplomat, "Gulf Capital Buys Africa's Infrastructure," July 2026, <https://modeldiplomat.com/story/gulf-capital-buys-africas-infrastructure>
6. AllAfrica, "Abu Dhabi's Sovereign Wealth Funds – Expanding Ambition and Influence Across Africa," June 2025, <https://allafrica.com/stories/202506270548.html>
7. DealMakersAFRICA, "DMA Q1 2026," <https://www.dealmakersafrica.com/dma-q1-2026>
8. FurtherAfrica, "Africa Gulf AI Infrastructure Investment Frontier," <https://furtherafrica.com/2026/04/27/africa-gulf-ai-infrastructure-investment/>

