

# Crisis in motion: Agility and risk exposure in the MEA risk landscape

## BDO's Global Risk Landscape Report 2025



Businesses in the Middle East and Africa (MEA) are no strangers to operating in a crisis environment. From persistent political instability to climate shocks and armed conflicts, organisations in the region often need to perform country risk assessments with much greater frequency than in other parts of the world - sometimes quarterly or even monthly, said Richard Walker, Head of Risk Advisory Services at BDO South Africa.

# 85%

of regional executives say that the risk landscape is more defined by crisis than at any time in recent memory, against

# 78%

in 2024.

In this risk landscape, flexibility isn't just a bonus, it is a necessity: 81% of executives say it is vital to be agile with risk management, up from 73% last year. Likewise, more executives agreed that the global risk landscape is now more defined by crisis than at any time in recent memory (85% this year, compared to 78% a year ago).

“It's not surprising at all with the way the world is right now. There is a lot of focus on Donald Trump and what he's doing, but it is especially impacting us in South Africa; we seem to be taking the brunt of his relationship with Elon Musk.

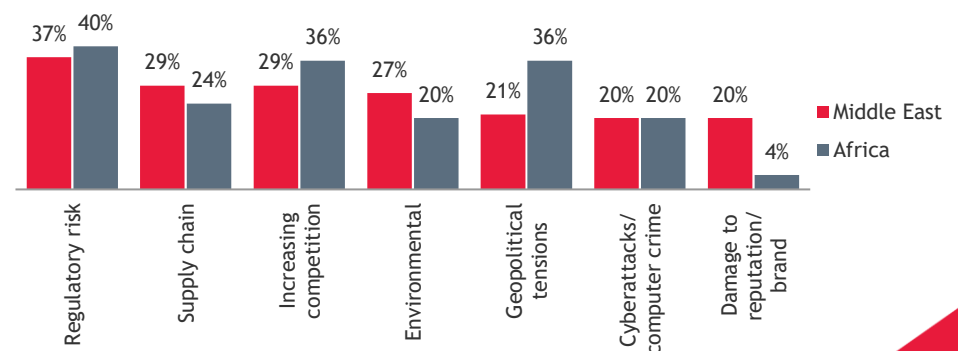
Richard Walker, Head of Risk Advisory Services at BDO South Africa

Not only are geopolitical relationships being strained, the region faces other stresses. In Southern Africa, a number of countries including Malawi and Namibia have been suffering from the worst drought in a century. Meanwhile, civil war rages in Sudan and tensions between Rwanda and the Democratic Republic of Congo have ramped up, while in the Middle East, civil war persists in Yemen and the conflict between Israel and Palestine continues to drag on.

“We're getting used to working in this crisis environment, which makes us ensure that we're agile to everything that happens.

Richard Walker

### Which risks do regional business leaders say they are unprepared for?

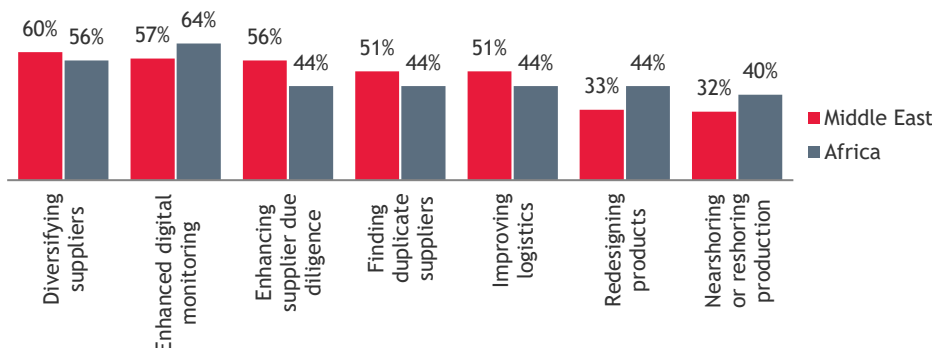


One key way that organisations in the region can improve their agility is through supply chain resilience, with 55% of Middle East executives and 48% in Africa flagging supply chain challenges as one of their top three risks.

“ We see a lot of companies that are out there struggling with their supply chain and not being able to produce what they need to produce because they’re not agile enough. Supply chain is a major risk that is underestimated.

Richard Walker

#### What regional executives are doing to cut supply chain risk in the next 24 months



To bolster their supply chains, organisations need to consider diversifying suppliers and improving visibility, for example by investing in technology to understand where shipments are at any point in time or using AI to provide instant alerts on global events that could impact supply lines or relationships with suppliers, said Walker.

“ Diversification of suppliers is the one risk that African companies are not managing - they’re reliant on one single supplier and are not so willing to move.

Richard Walker

Like the rest of the world, regulatory risk topped the list of risks executives in MEA feel they are unprepared for - 60% in Africa and 57% in the Middle East. Walker said part of the issue is not just that the regulatory environment is evolving rapidly in the region, but that businesses also have to comply with external rules such as GDPR if they want to do business with counterparties in Europe.

The cost of compliance is also having an impact. In South Africa, some companies are scrapping plans to list on the stock market because it costs too much to comply with local stock exchange rules, Walker adds.

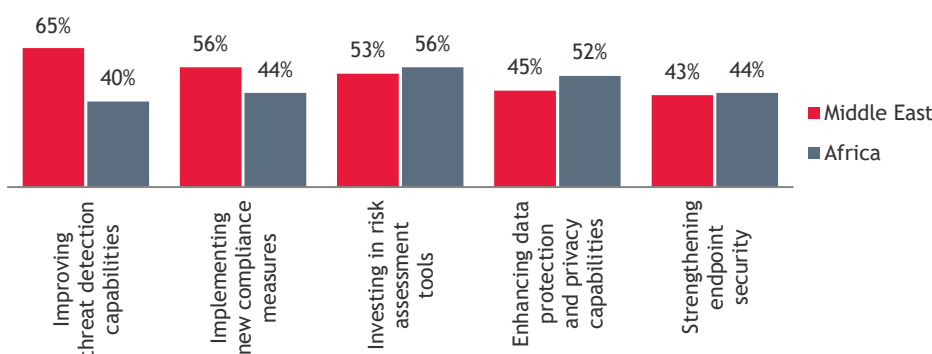
Another big challenge is an ongoing talent drain, a concern that has accelerated over the past year (16% of executives flagged it this year, compared to 5% a year ago).

“ Talent is an issue because of the ease of movement. It’s easy for people to leave and move on, so we’re all suffering from talent shortages.

Richard Walker

Executives in the region also flagged technology as a bigger concern this year compared to last (21% now vs 14% a year ago), with MEA respondents more likely to see AI as a risk compared to elsewhere in the world (35% vs 30%).

#### The top five steps regional executives are taking to cut cyber risk



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A key challenge in managing AI risk in the region lies in the business culture, evolving regulations, and limited strategic oversight. While AI adoption grows, issues such as lack of cross-border regulatory alignment and over-reliance on imported, non-localised AI solutions remain under-addressed. These systems often fail to reflect regional data, language, or socio-cultural nuances, increasing the risk of bias and inefficiency.

Shivendra Jha, Partner at Head of Advisory Services at BDO UAE





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Some 58% of respondents in the region said data privacy is their biggest concern when it comes to AI being used in risk management, followed by compliance changes (52%) and bias/discrimination and cybersecurity (both 49%).

MEA executives are also taking fewer actions against combating fraud relative to their global peers. Only 29% said they were stepping up employment background checks, compared to 41% globally, while only 31% said they are using AI to identify fraud compared to 39% worldwide.

#### To combat fraud:

Just  
**31%** are using AI.

Just  
**29%** are stepping up employment background checks.

Just  
**16%** are setting up a whistleblowing hotline.

“**Fraud risk in the Middle East is often misunderstood as just a failure of internal controls, when it’s actually a deeper issue rooted in business culture, inconsistent regulations, and organizational mindset. While notable progress has been made in recent years, many businesses still treat fraud as a legal issue to address after the fact, rather than as a strategic risk that needs proactive management.**

Shivendra Jha

This means having the appropriate corporate culture in place to mitigate this risk. Only 16% of respondents in the region said they are setting up a whistleblowing hotline, compared to 26% globally. For some businesses in the region, having a whistleblower policy might still not be enough if the leadership and culture has not evolved to support it.

“**Respect for authority and reluctance to challenge leadership further complicates fraud detection. Even where whistleblower channels exist, usage remains low due to fears of retaliation, reputational damage, or being perceived as disloyal. This creates a culture of silence, allowing unethical behaviour to continue unchecked.**

Shivendra Jha

Given these challenges, agile risk management is essential, particularly in an environment where crisis is unrelenting. With this in mind, organisations in the region must do more to embed proactive risk strategies into their operating culture so they can navigate risk dynamically and drive better business outcomes.

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