



Restructuring pulse Key trends shaping the GCC region

2025

Introduction

We are pleased to present our insights on the key restructuring trends for 2025. This paper examines the primary factors driving restructuring activity, the challenges in resolving distress, and emerging trends shaping the GCC region.

Deloitte Middle East conducted its inaugural Turnaround & Restructuring Survey, engaging a dynamic group of respondents, including lawyers, lenders, and C-suite executives across the GCC, to capture their perspectives on the region's evolving restructuring landscape.

Their contributions have enriched our broader industry analysis, providing valuable insights to understand the region's restructuring landscape.

80%

of respondents are optimistic about regional growth prospects



Cash is king

Cash preservation emerged as the top short-term priority for most C-suite executives

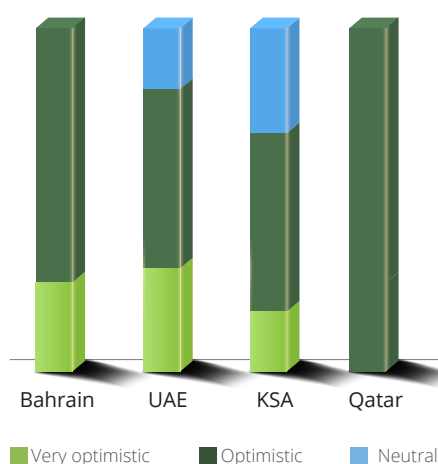


Late distress identification is the #1 hurdle

Lenders ranked delayed recognition of distress as the biggest barrier to successful out-of-court restructurings

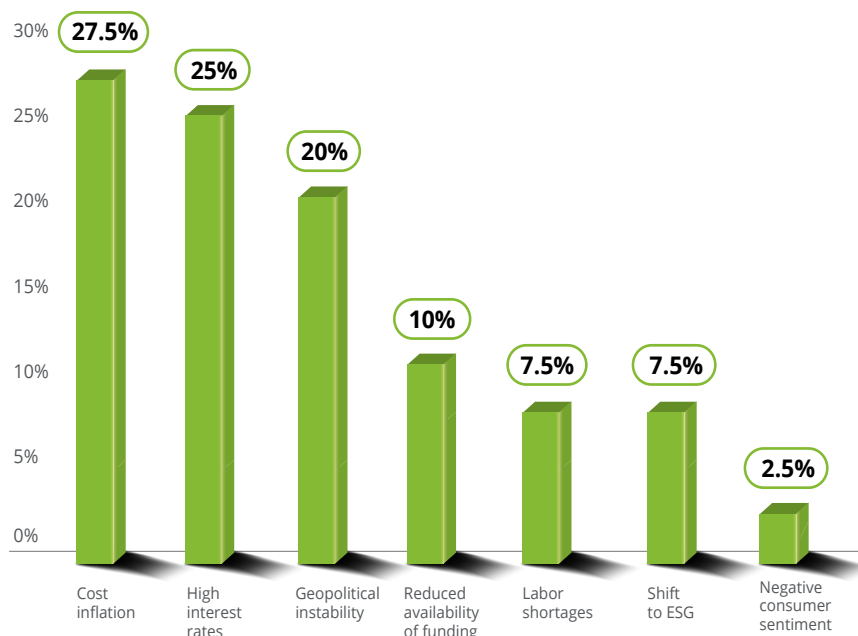
Over the past five years, companies have faced unprecedented disruptions, from the pandemic's aftershocks to inflationary pressures, rising interest rates, and geopolitical instability, all of which have profoundly shaped how businesses manage liquidity, access capital, and navigate financial distress. Despite these challenges, the GCC region demonstrates significant resilience. Our survey reveals that 80% of respondents are either optimistic or very optimistic about growth prospects in 2025, highlighting the region's strong foundations and ability to withstand global economic and political pressures.

Figure 1: Growth prospects based on geographic segments



Source: Deloitte Turnaround & Restructuring survey results
Respondents: All stakeholders

Figure 2: Macroeconomic factors likely to drive restructuring activity



Source: Deloitte Turnaround & Restructuring Survey results. Respondents: Lawyers and lenders only, all GCC countries

Macroeconomic pressures are still expected to influence restructuring activity across the GCC in 2025, with survey respondents identifying cost inflation and high interest rates as the primary drivers, followed by geopolitical instability and reduced funding availability.

The GCC presents a diverse restructuring environment, characterized by the relatively recent introduction of formal insolvency regimes, most of which have only been established in the last decade. The region benefits from this by leveraging global best practice frameworks whilst catering for local market and laws to suit its unique economic and regulatory landscape. While the United Arab Emirates (UAE) and the Kingdom of Saudi Arabia (KSA) have emerged as frontrunners with comprehensive legal frameworks, the region as a whole is working towards implementing robust and effective restructuring processes. When asked what one change practitioners would make to the insolvency legislation in

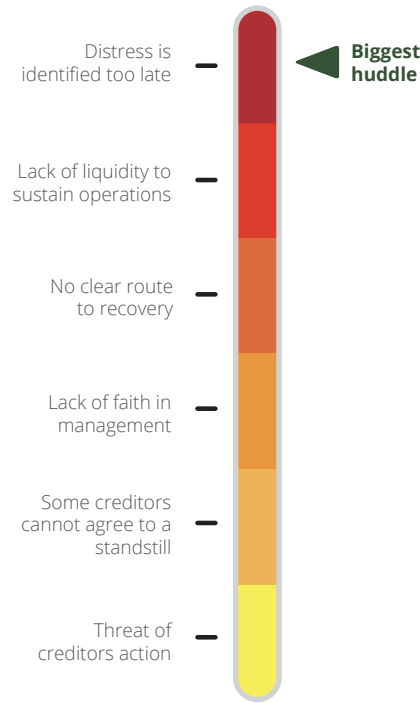
their region, respondents pointed to a range of technical and structural reforms. These included the need for stronger enforcement of moratoriums, streamlined court-supervised procedures, clearer protections for creditors and debtors post-moratorium, and the establishment of cross-border recognition frameworks.

Despite unprecedented disruptions in recent years, the GCC region demonstrates significant resilience. Our survey reveals that 80% of respondents are optimistic about growth in 2025.

In KSA, 2024 witnessed the highest number of cases filed since the Saudi Bankruptcy Law was introduced in 2018, signaling the increasing application of the provisions available within the law.

Of these cases, standard liquidation processes comprised approximately 91%¹ of total filings, while rehabilitation procedures such as Preventive Settlement Procedures (PSP) and Financial Restructuring Procedures (FRP) accounted for only 9%¹ of filings. Early data from 2025 suggests a similar trend of preference for administrative processes over rehabilitation and preventative measures. It will be important to monitor whether this trend changes as the framework and its application matures. To understand this better, we asked lenders about the hurdles they face when trying to resolve distress informally. Figure 3 shows that the most notable hurdle is the late identification of distress, which helps explain why a liquidation process may often become the fallback - there simply may be insufficient time to implement a turnaround. The lack of liquidity further suggests that, by the time restructuring is considered, many companies may already be in a position where more complex or extended rehabilitation efforts are no longer viable.

Figure 3: Main hurdles to resolving distress via an informal restructuring process



Source: Deloitte Turnaround & Restructuring survey results
Respondents: Lenders only, all GCC countries

Regionally, Riyadh dominated the filings, accounting for 53%¹ of all cases in 2024, followed by Jeddah at 27%¹. This concentration is likely due to most company headquarters being located in the two cities, as well as a preference for filing in courts with more experience handling bankruptcy cases under the relatively new law.

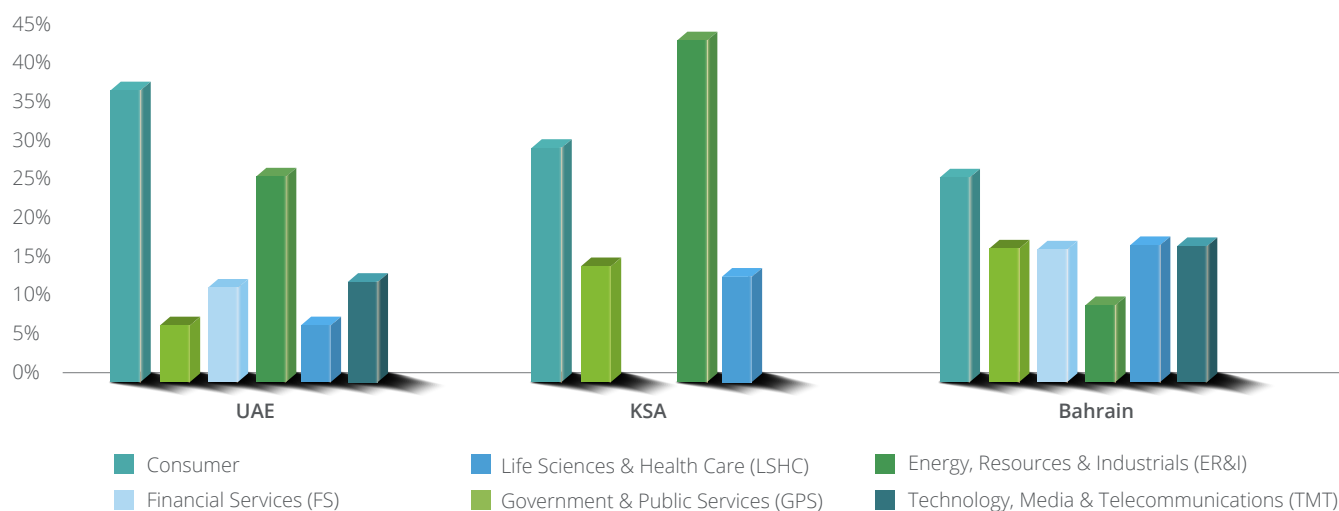
Sectoral data from 2024 reveals that the Consumer (52%¹) and Energy, Resources & Industrials (ER&I)(21%¹) sectors account for a significant portion of these cases. This trend emphasizes the specific vulnerabilities within these sectors, which continues to be the trend as based on Figure 4 suggesting that KSA respondents believe these same sectors to be among the riskiest in 2025.

Last year, the UAE experienced significant developments in restructuring, marked by the execution of three major restructurings and the introduction of a revised bankruptcy law.

Under this revised law, specialized bankruptcy courts and a new bankruptcy unit have been established, aimed at streamlining formal restructuring proceedings. These measures are intended to enhance consistency and predictability in outcomes and are expected to accelerate restructuring solutions moving forward. In recent years, restructuring activity in the UAE has been particularly concentrated in the healthcare, construction, and oil & gas sectors, as evidenced by hallmark cases such as the administration of NMC Healthcare and the restructurings of Emirates Hospitals Group, Drake & Scull International, and JBF RAK LLC. Survey responses in Figure 4 suggest this trend may continue in 2025 in the ER&I sector (25%), while, similar to KSA, the Consumer sector is expected to see heightened activity (38%) this year.

1. EISAR Portal | الإعلانات

Figure 4: Sectors GCC respondents believe will be at risk in 2025



Source: Deloitte Turnaround & Restructuring survey results | Respondents: All stakeholders

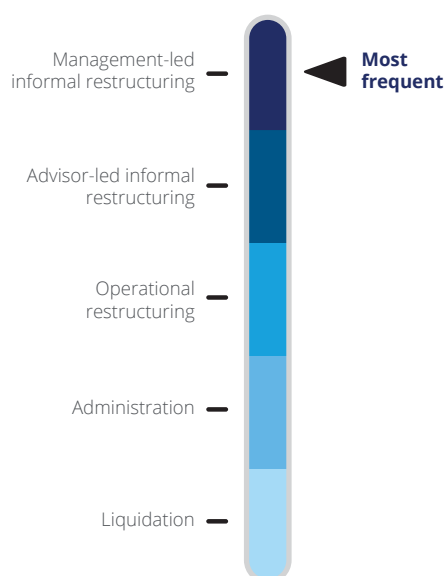
Although Qatar and Oman remain among the less mature restructuring markets in the GCC, recent developments indicate a shift. In Qatar, formal restructurings have been limited, with most activity taking the form of soft restructuring and performance improvement. As part of a broader effort under its Third National Development Strategy (NDS3) to attract \$100 billion in foreign direct investment (FDI) by 2030, the Qatar government announced earlier this year its plans to introduce new bankruptcy, public-private partnership, and commercial registration laws². Sector-wise, restructuring in recent years has been observed in the contracting and hospitality sectors. Meanwhile, Oman has seen a gradual increase in restructuring awareness and activity, with sectors such as healthcare, construction, and aviation showing signs of stress, based on Deloitte's experience and restructuring cases in recent years. Whilst Oman's 2019 Bankruptcy Law introduced formal procedures such as preventive composition, the framework remains largely untested, and informal creditor-led workouts continue to dominate.

Qatar and Oman remain among the less mature restructuring markets in the GCC, but recent developments indicate a shift, driven by legal reforms, growing restructuring awareness, and targeted efforts to attract foreign investment.

Looking ahead, both countries are expected to see incremental but tangible shifts in their restructuring dynamics. Qatar's legal reforms and institutional enhancements, such as the establishment of a new Enforcement Court, are likely to build confidence among foreign investors and corporates alike. In Oman, a more robust insolvency framework is anticipated, alongside an influx of restructuring professionals in the country that will deepen local expertise and improve outcomes for distressed companies.

2. Reuters

Figure 5: What form do you expect restructuring and insolvency activity to take over the next 12 months?



Source: Deloitte Turnaround & Restructuring survey results | Respondents: Lenders only, all GCC countries

Key takeaways

Stakeholders across the GCC expect restructuring and insolvency activity to increase in 2025, albeit with a continued preference for less formal approaches. As seen in Figure 5, lenders cited that most restructuring efforts in 2025 will take the form of informal, management- or advisor-led processes, with liquidation and administration expected to be far less common. However, filing data in some jurisdictions in recent years suggests otherwise.

For corporate decision-makers, short-term priorities in 2025 are firmly centered around resilience and stability. C-suite respondents identified cash preservation as their highest priority for the year ahead, followed closely by protecting and growing market share. In contrast, pursuits such as acquisitions or job protection were given relatively low priority, indicating a cautious approach to expansion and a focus on strengthening the core business.

When asked what factors drive the decision to seek support from external advisors, such as lenders, lawyers, or turnaround professionals, respondents pointed to internal organizational factors as the most significant influences. Employee perception, the level of operational or financial stress, and specific upcoming trigger events were all cited as primary considerations. Fewer respondents prioritized the perception of customers or suppliers, or the potential impact on their own job security, in making that determination. This highlights the growing importance of internal stakeholder alignment and proactive risk management in steering distressed businesses through uncertainty.

How Deloitte can help

Deloitte Middle East brings deep technical capability and cross-border experience to support businesses across the full restructuring lifecycle, from early detection of distress through to recovery and beyond. Our highly specialized teams work closely with boards, management teams, lenders and investors to assess strategic options, stabilize performance and implement effective turnaround plans. By combining financial, operational, and sector-specific expertise, we help clients preserve value, restore stakeholder confidence, and emerge stronger from periods of disruption.

Stakeholders across the GCC expect restructuring and insolvency activity to rise in 2025, with a preference for informal, management or advisor-led processes.

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