

Tabby's \$150M financing highlights how Middle Eastern BNPL resists market turmoil

Article

The raise: UAE-based BNPL provider **Tabby** secured \$150 million in debt financing, which it said was the biggest credit facility ever secured by a Gulf fintech, per a press release.

- The funds would be used to grow transaction volumes and expand its product offering, [Tabby explained](#).
- As one of the largest BNPL firms in the Gulf region, it's raised \$275 million to date.

Tabby shrugs downturn: Fears of a global economic slowdown have blunted BNPL heavyweights like [Afterpay](#) and [Klarna](#) in recent months. But Tabby says that the limited access to credit for consumers in the region makes it less vulnerable to the tumult affecting competitors in the US and Europe.

In Saudi Arabia, the region's largest economy, **less than 20% of the population has a credit card**, compared with more than 70% in the US, per Tabby. It claimed that this helps make its BNPL products more relevant to consumers. In the first half of this year, its revenues have grown 10-fold, and it tripled its active retailer partners through tie-ins with **H&M, Nike, and Swarovski**.

What now? BNPL companies that can establish themselves in the Middle East stand to gain from a growing market.

- While it only accounts for about 1% of total ecommerce spending, BNPL is expected to pick up steam in the region. The strongest growth is projected in Saudi Arabia, where BNPL is forecast to represent 3.4% of ecommerce spend by 2025, [per FIS](#).
- And shoppers in the UAE rank among the highest globally in terms of one-off BNPL purchases, [per YouGov](#).

Foreign players could explore building a presence in the region, which seems less sensitive to the BNPL market turmoil than Europe and the US.

Adults Worldwide Who Made a Purchase Using Buy Now, Pay Later (BNPL), by Country, Dec 2021

% of respondents in each country

Indonesia	27%
Mexico	24%
Australia	22%
China	22%
India	22%
United Arab Emirates	18%
Sweden	16%
Poland	16%
France	15%
Singapore	14%
UK	13%
Germany	13%
Hong Kong	12%
Spain	12%
US	10%
Canada	10%
Italy	9%
Denmark	7%
Worldwide	15%

Note: in the past three months

Source: YouGov, "The Future of Financial Services: A Global Exploration of Evolving Trends in the Financial Services Industry," March 30, 2022

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