

10th GCC BUSINESS CONFIDENCE AND GOVERNMENT REFORM SURVEY 2015

AN OLIVER WYMAN - ZOGBY RESEARCH SERVICES SURVEY

March-2015

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Table of Contents

1 | Context

2 | Trends

3 | Key Insights

Section 1 | Context

Oliver Wyman and Zogby Research Services have established long-term partnership and have produced 10 surveys within the past 7 years



Background

- A global leader in management consulting with more than 35 years of experience and 3000 staff worldwide
- Active in Middle East for over 20 years, with offices in Dubai, Abu Dhabi, and Riyadh

Long-term partnership

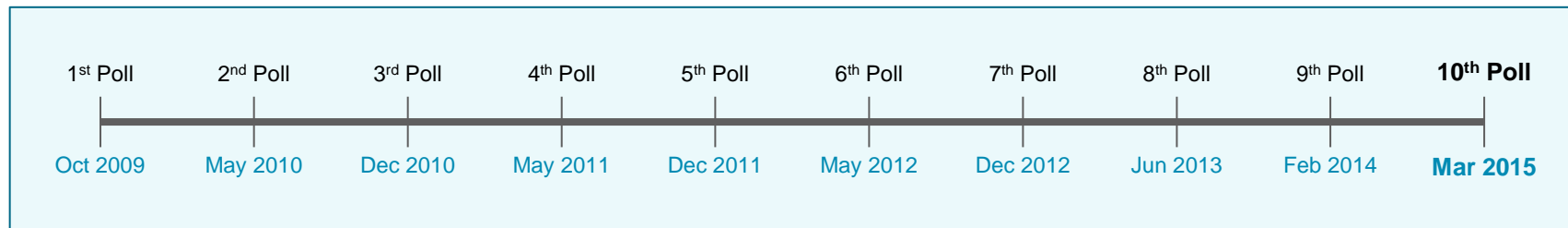
Conduct CEO Surveys to track private sector leadership confidence levels and economic reform priorities



Background

- ZRS, in partnership with jzanalytics, continuing the work begun by Zogby International in 2009
- ZRS has been conducting research in the Arab world since 2001

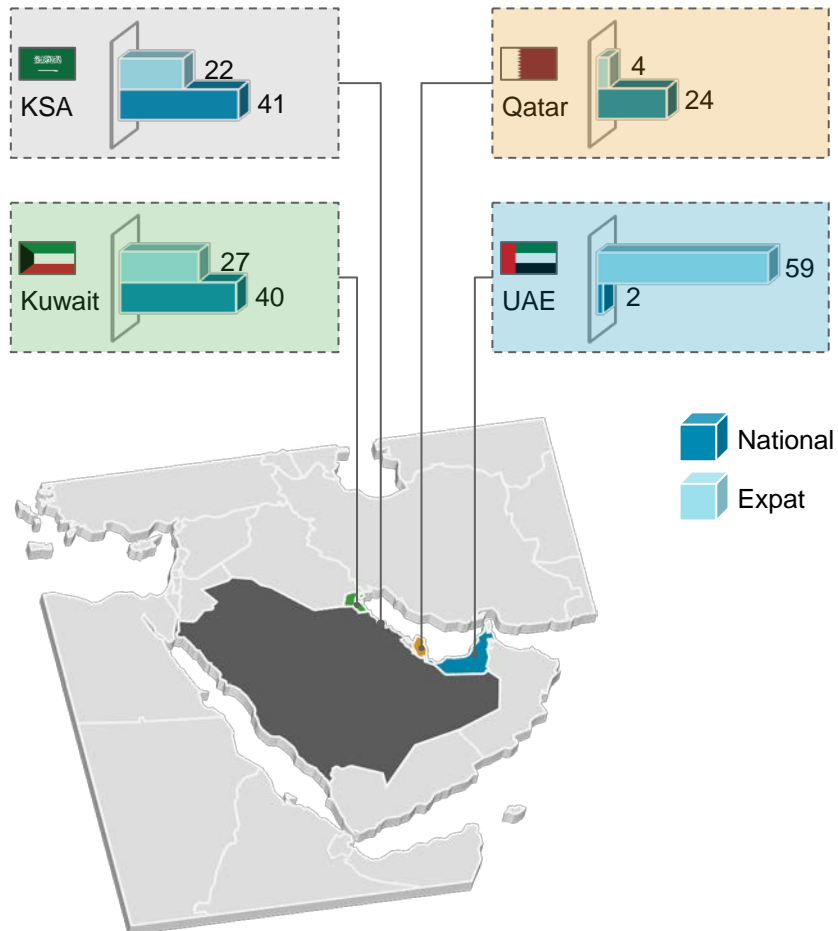
Business Confidence And Government Reform surveys completed since 2009



The survey targets a sample of 219 prominent business leaders from 4 countries with diversified roles and backgrounds to ensure accurate representation

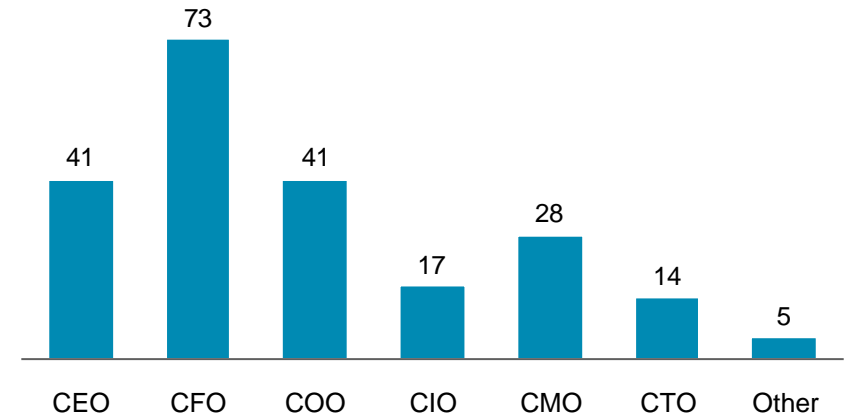
Nationality

out of 219 respondents



Job positions

out of 219 respondents



Characteristic strengths of survey

- Consistent polling since **2009** with **10 polls completed to date**
- Large sample consisting of **219 C-level executives**
- **Diversity** in terms of **nationality, job position, and company size**
- Scope: **UAE, KSA, Kuwait and Qatar**
- **Complementary partnership** between Oliver Wyman and Zogby Analytics (both leading companies in their respective fields)

Source: Zogby Analytics & Oliver Wyman Analysis

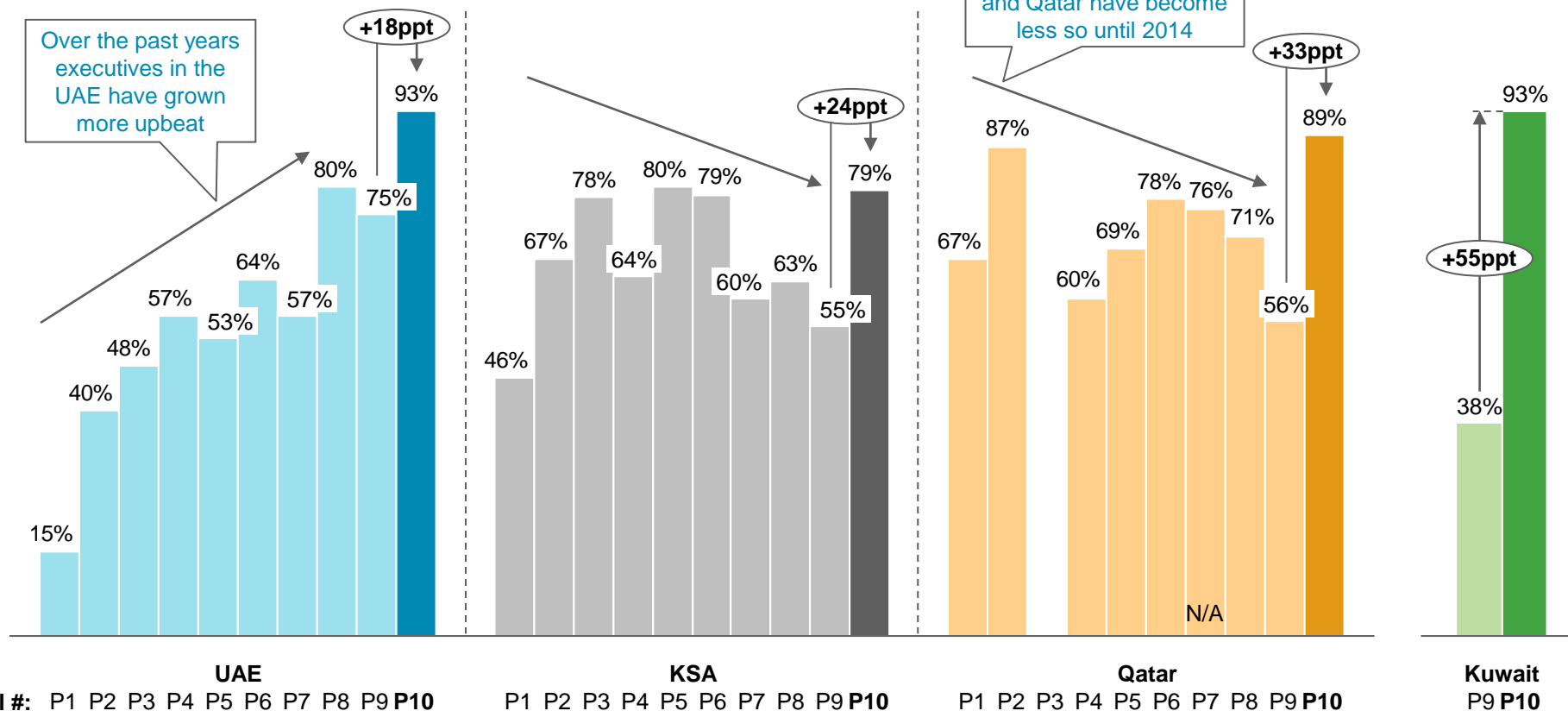
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Section 2 | Trends

While last year the sentiment had taken a hit across the region, this year has brought in significant optimism, taking business confidence nearly to its peak across all markets across the study period

What is your view of current business conditions in your country vs. what they were a year ago?

Respondents agreeing situation has improved slightly or greatly

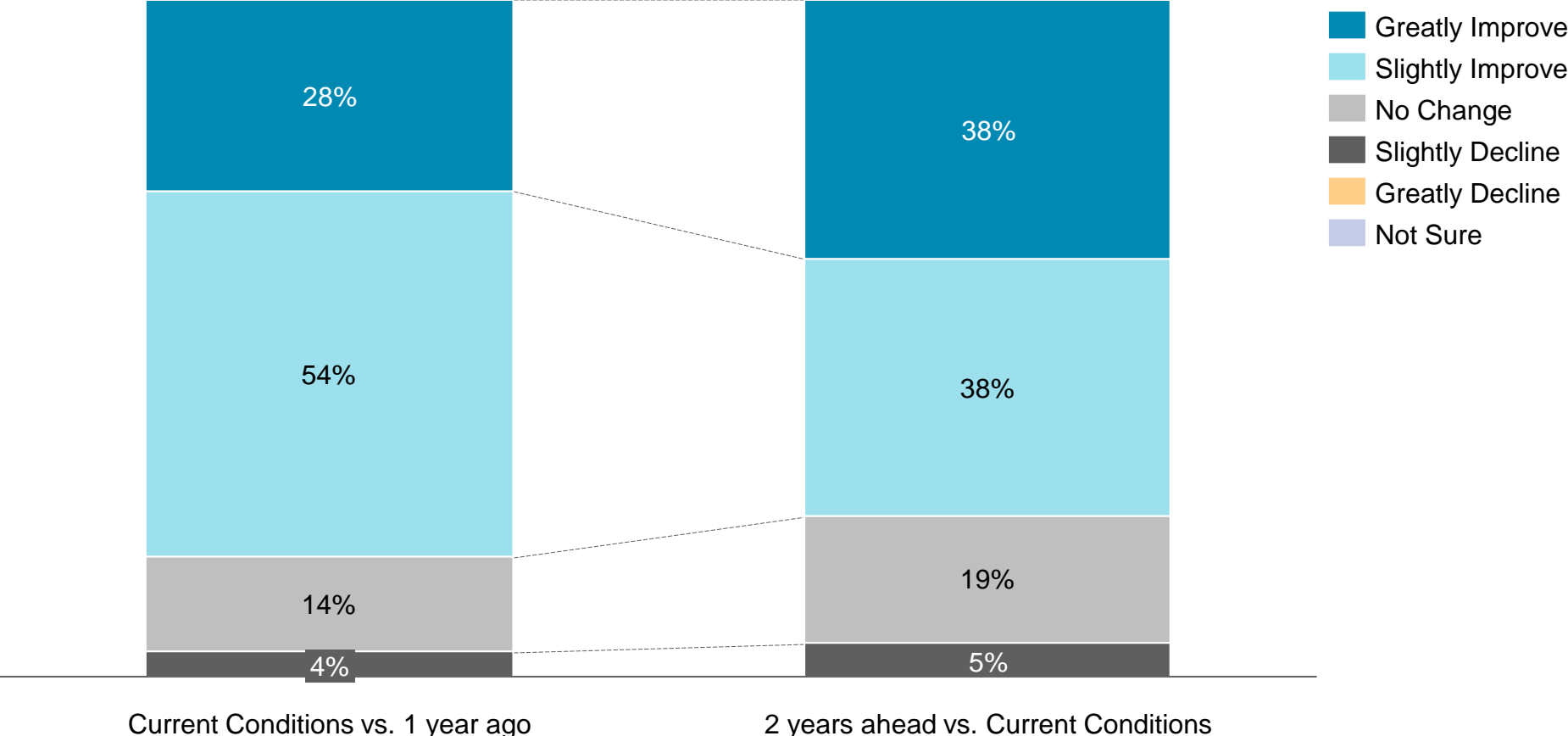


10th GCC Business Confidence And Government Reform Survey Jan 2015
 Note: Sample size of 200 for the region. "Not started", "Declined" or "Not Sure" responses not shown in graph
 Kuwait has been added to the study in 2014

Future outlook on business confidence

Most business leaders in UAE, KSA, Qatar & Kuwait currently see improvement from past business conditions and are optimistic for the future

Percentage of Business Leaders By Response
% out of 219 respondents

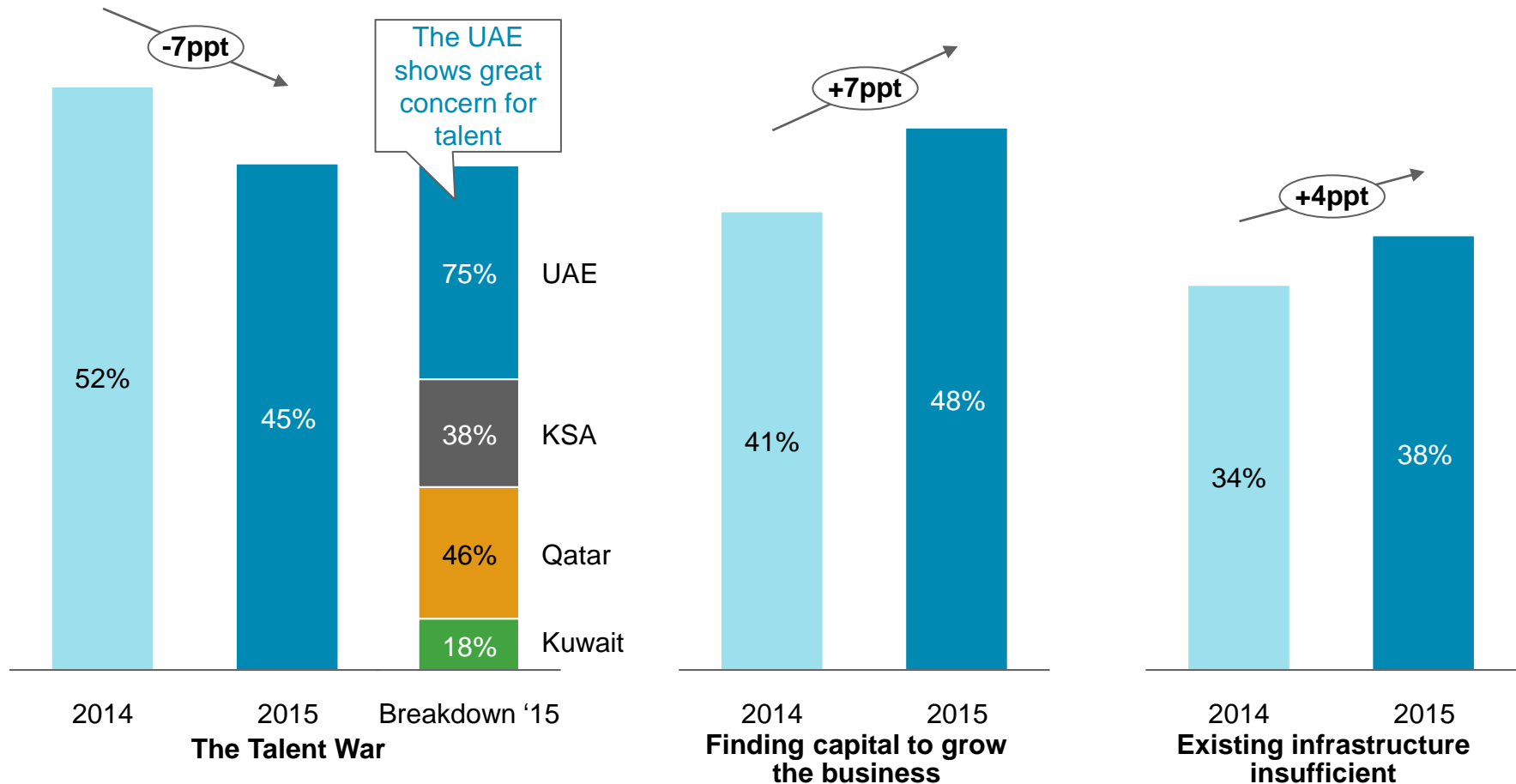


Source: Zogby Analytics & Oliver Wyman Analysis
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More and more businesses are starting to hit the Infrastructure and capital availability ceiling while talent continues to among the most serious issues, though the situation in some markets has started to ease

How significant are each of the following risks to your business in the next 5 years?

Percentage that responded “*Very Significantly*”:

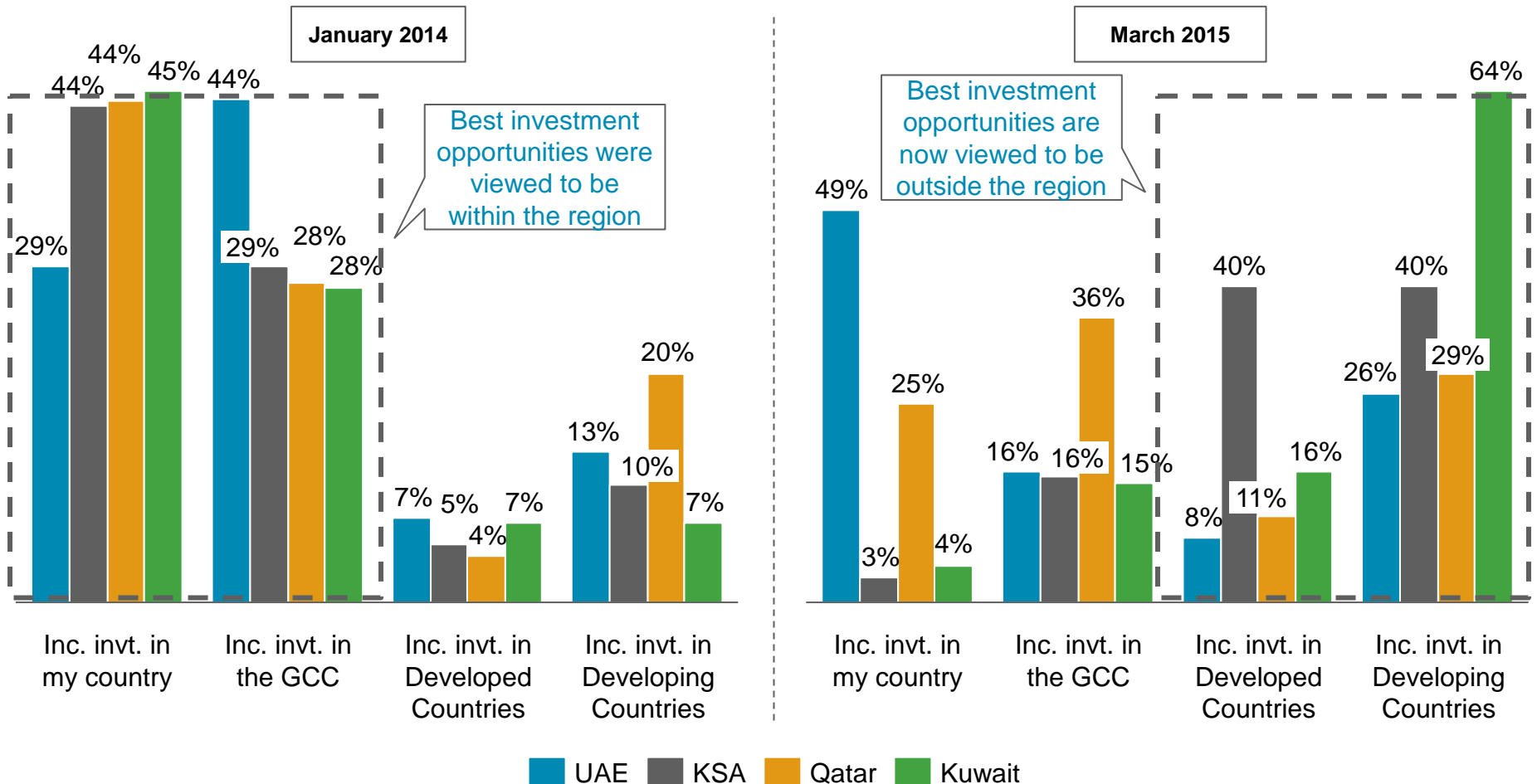


Source: Zogby Analytics & Oliver Wyman Analysis
 Note: 2015 data includes Kuwait
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Global and Regional Drivers

Recent political and economic changes have dramatically shifted how business leaders currently view different investment opportunities for growth

Of the following, which do you think offers the best opportunity for growth for your company?



Source: Zogby Analytics & Oliver Wyman Analysis

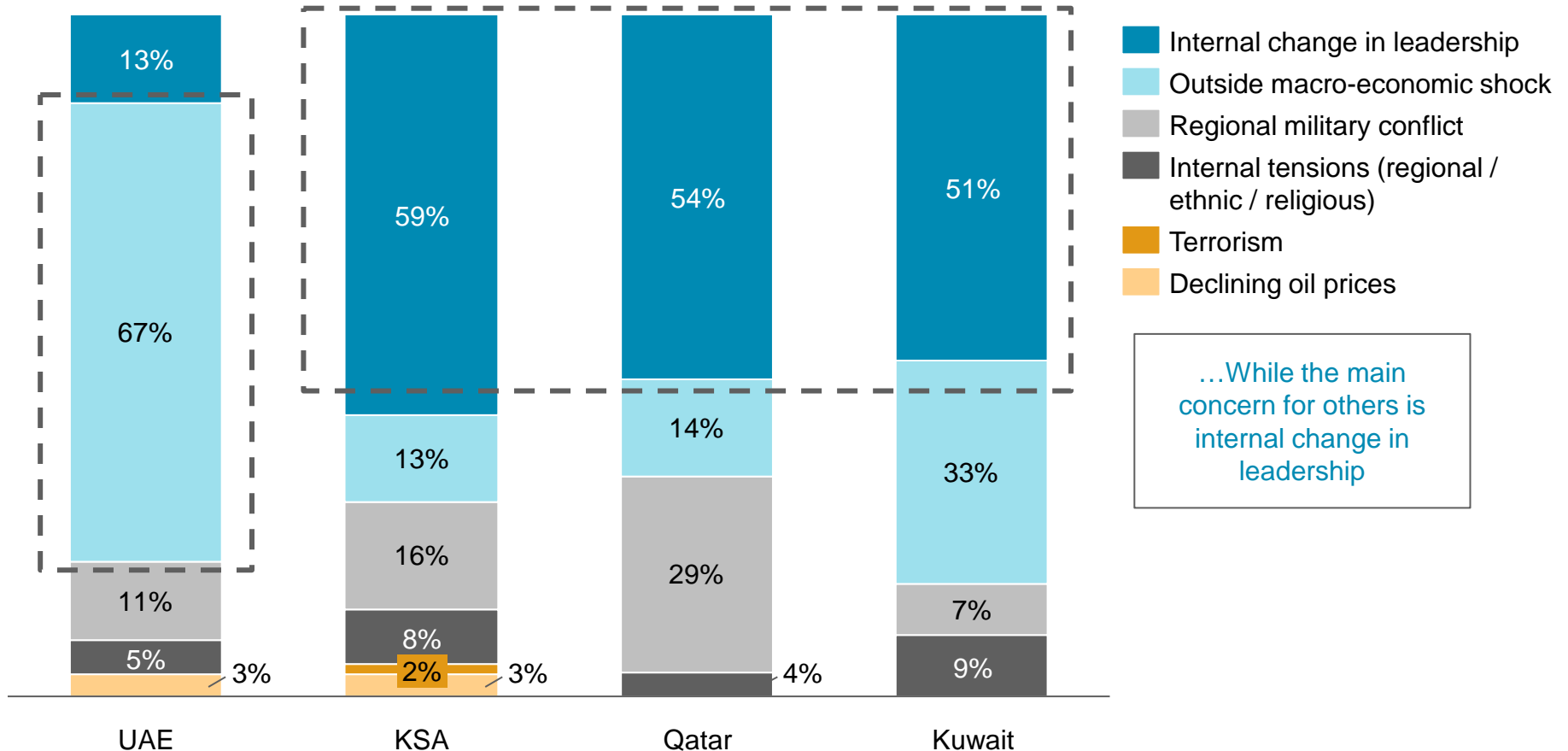
Note: The data gathered in 2015 has a slight variation in methodology from that of 2014: The response options currently do not include "not sure", while in 2014 this was still included
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Section 2 | Insights

The biggest threat to business conditions in KSA, Qatar and Kuwait is believed to be an internal change in leadership, while in the UAE the main threat remains as outside macro-economic shock

What do you see as the biggest threat to business conditions? (% of subset)

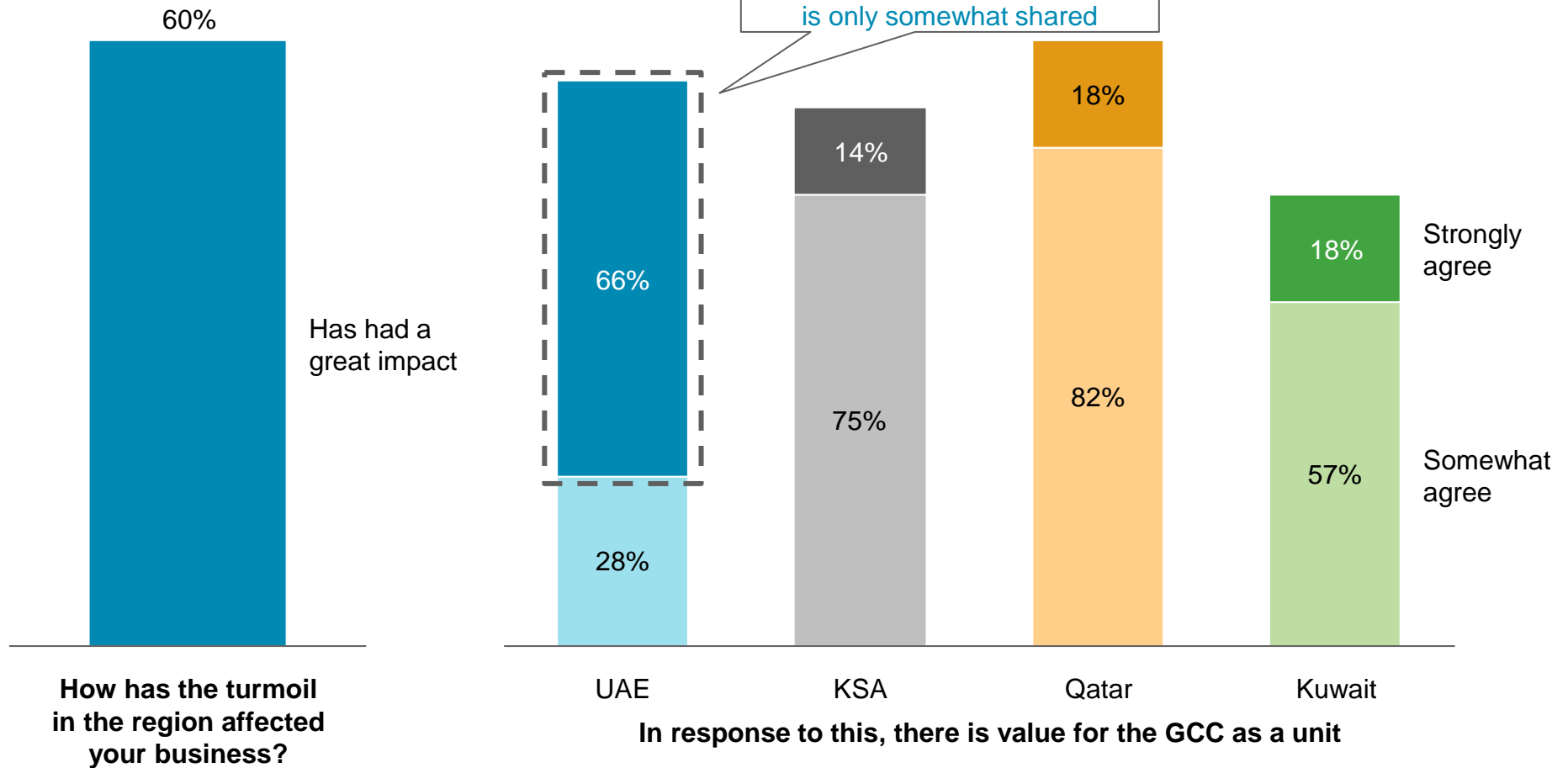
Outside economic shocks remain the most frequently mentioned concern for the UAE



...While the main concern for others is internal change in leadership

Most business leaders in UAE, KSA, Qatar and Kuwait are affected by current military turmoil and agree that, in terms of responding to regional unrest, there is value in the role of the GCC as a unit

Percentage of Business Leaders By Response
% out of 219 respondents

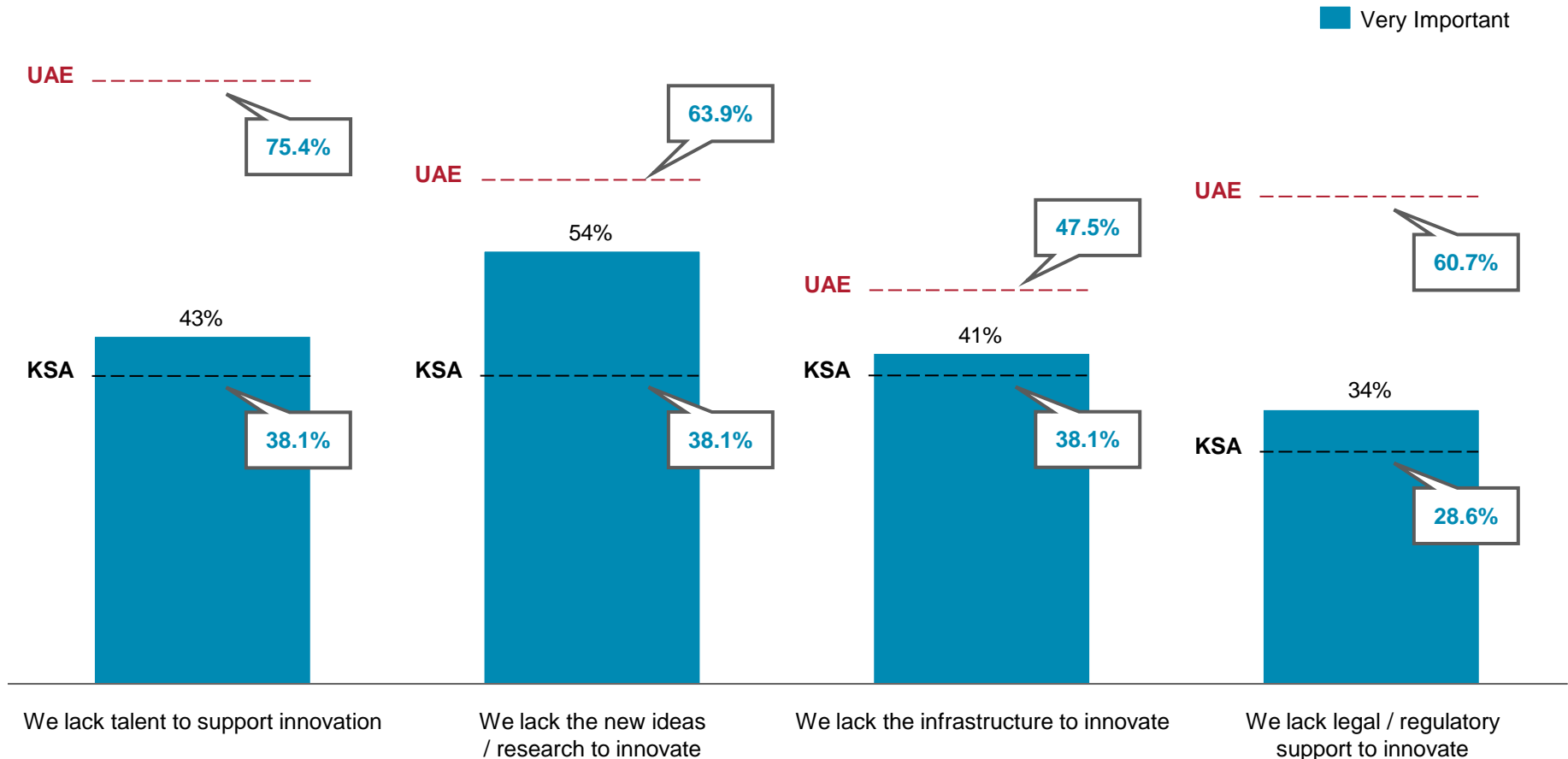


Innovation in the GCC countries faces serious hurdles

The lack in talent, research, infrastructure and regulatory support are seen as obstacles to innovation within the four countries, especially in the UAE

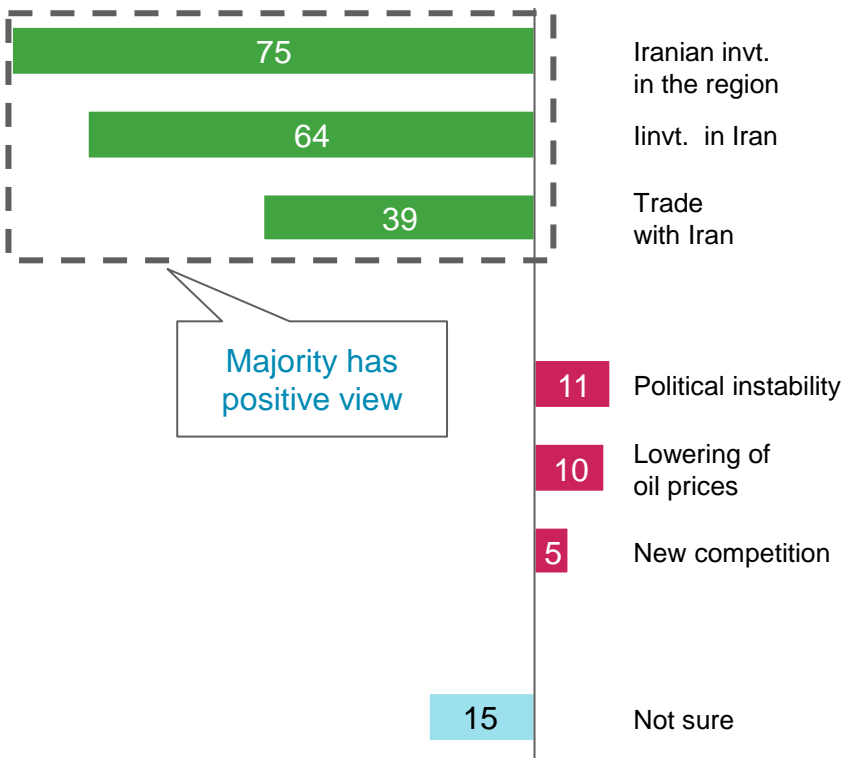
How important are each of the following obstacles to innovation in your company?

% out of 219 respondents



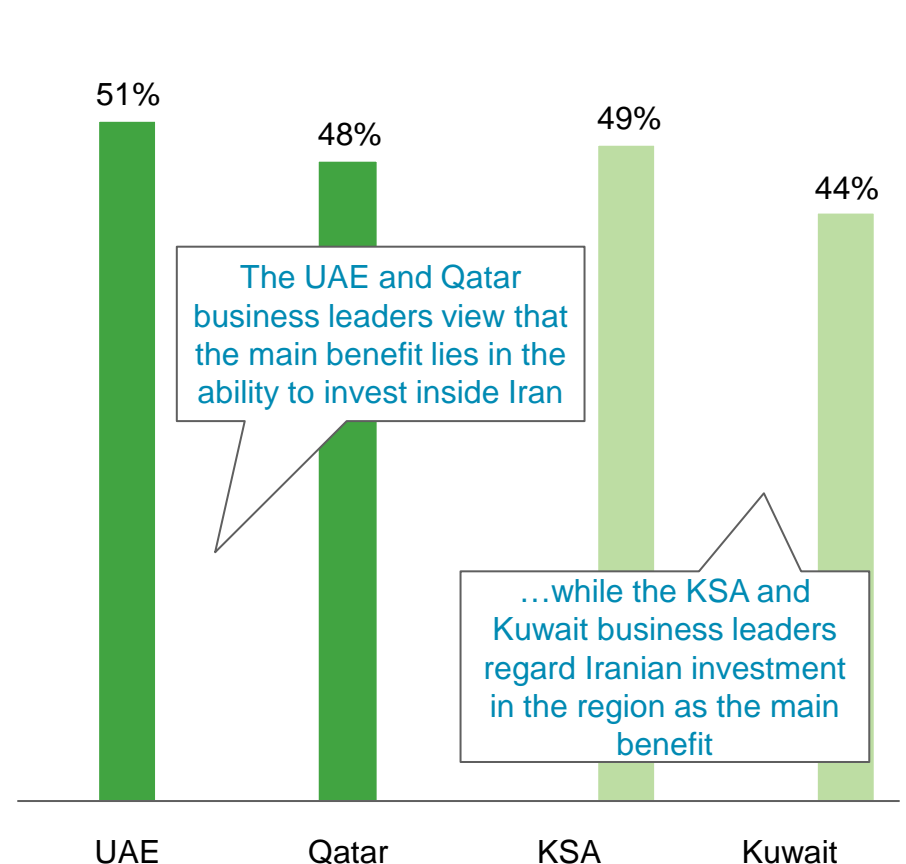
The majority of business leaders (178 out of 219) view the business effect of opening the Iranian economy as positive but the expected benefits vary by country

What do you think the business effect of opening the Iranian economy will be on the GCC region? # out of 219 respondents



Most popular response by country

% of respondents with most popular answer



Positive Negative Neutral

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