

OLIVER WYMAN



3rd GCC Business Confidence and Government Reform Survey 2010

An Oliver Wyman - Zogby International Survey

January 2011

Long-term partnership to track private sector leadership confidence levels and priorities

Oliver Wyman

▪ Background

- An international management consulting firm 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
- #1 consulting firm in quality (source: Corporate Executive Board)

▪ Role in partnership

- Analyze data
- Critically assess resulting trends
- Brief senior government and private sector leaders

Plan

▪ Conducted:

- 1st poll: Oct. 2009
- 2nd poll: May 2010
- 3rd poll: Dec. 2010

▪ Plan to conduct biannually

▪ Currently focused on KSA and UAE

Zogby International

▪ Background

- Zogby International is a global public opinion polling firm
- Tracking public and senior executive opinion since 1984 in the Middle East, North America, Latin America, Asia, and Europe

▪ Role in partnership

- Conduct regional interviews and polls
- Provide raw data
- Run follow-up interviews

Survey objectives and methodology

What does this poll provide?

- Provide a “**snapshot**” view of “on-the-ground” issues
- **Benchmark** and compare across the region
- Create a **time series** to gauge trends and progress

Why is this important?

- **Few feedback mechanisms** exist in the region for private sector
- **Tool for government** to establish reform priorities and develop new policies

Who did we survey?

- **141** C-suite executives (CEO, CFO, COO, CSO, etc.)
- Across two countries: **UAE** and **Saudi Arabia**
- **December 2010** (with follow-up interviews)

- **THEME 1: REFORM**

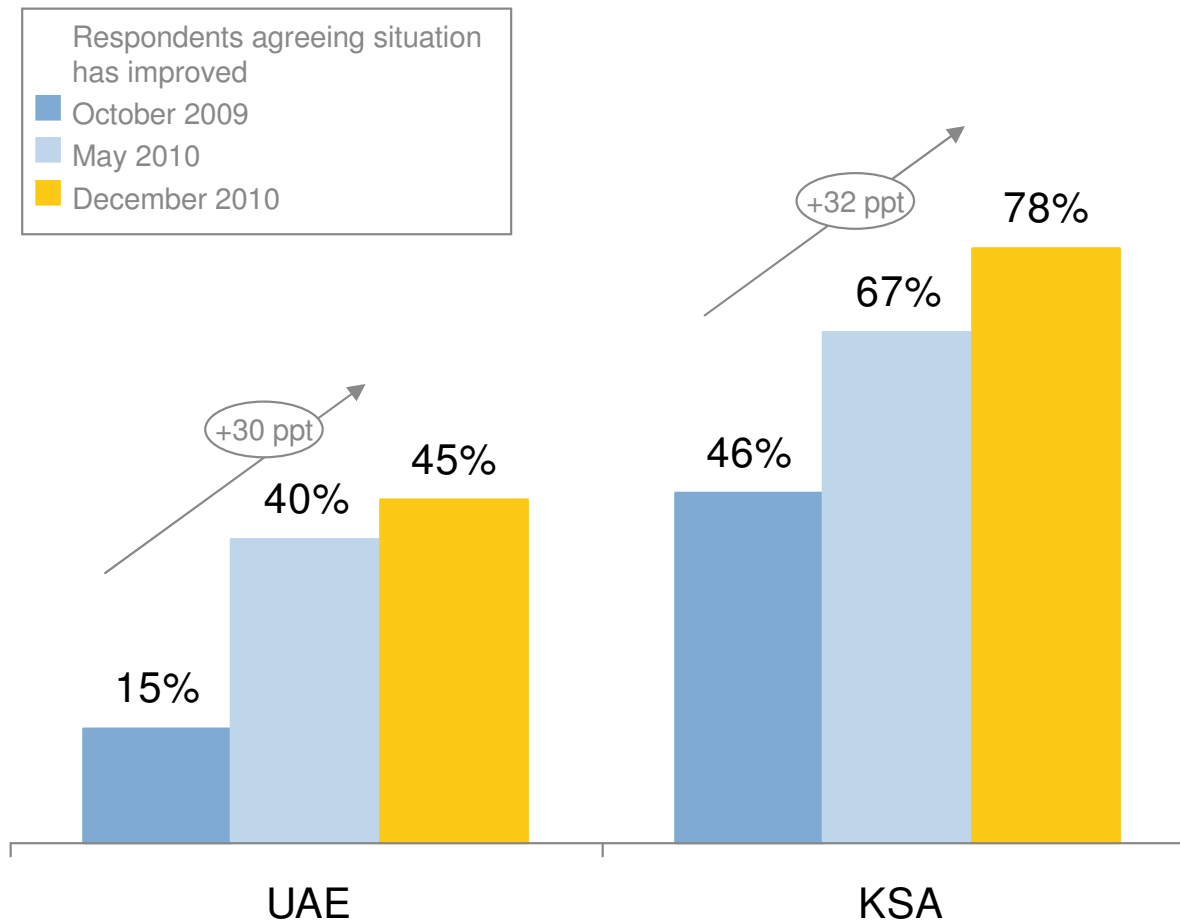
- Which government issues are most important for **economic development?**
- What are executives' views on **drivers and impediments to government reform?**

- **THEME 2: COMPETITIVENESS AND GROWTH**

- **Are business executives optimistic** about the opportunities brought from the crisis?
- **Where are those opportunities?**

Business confidence has significantly increased since the nadir of the financial crisis...

What is your view of *current* business conditions in your country? Have they improved?



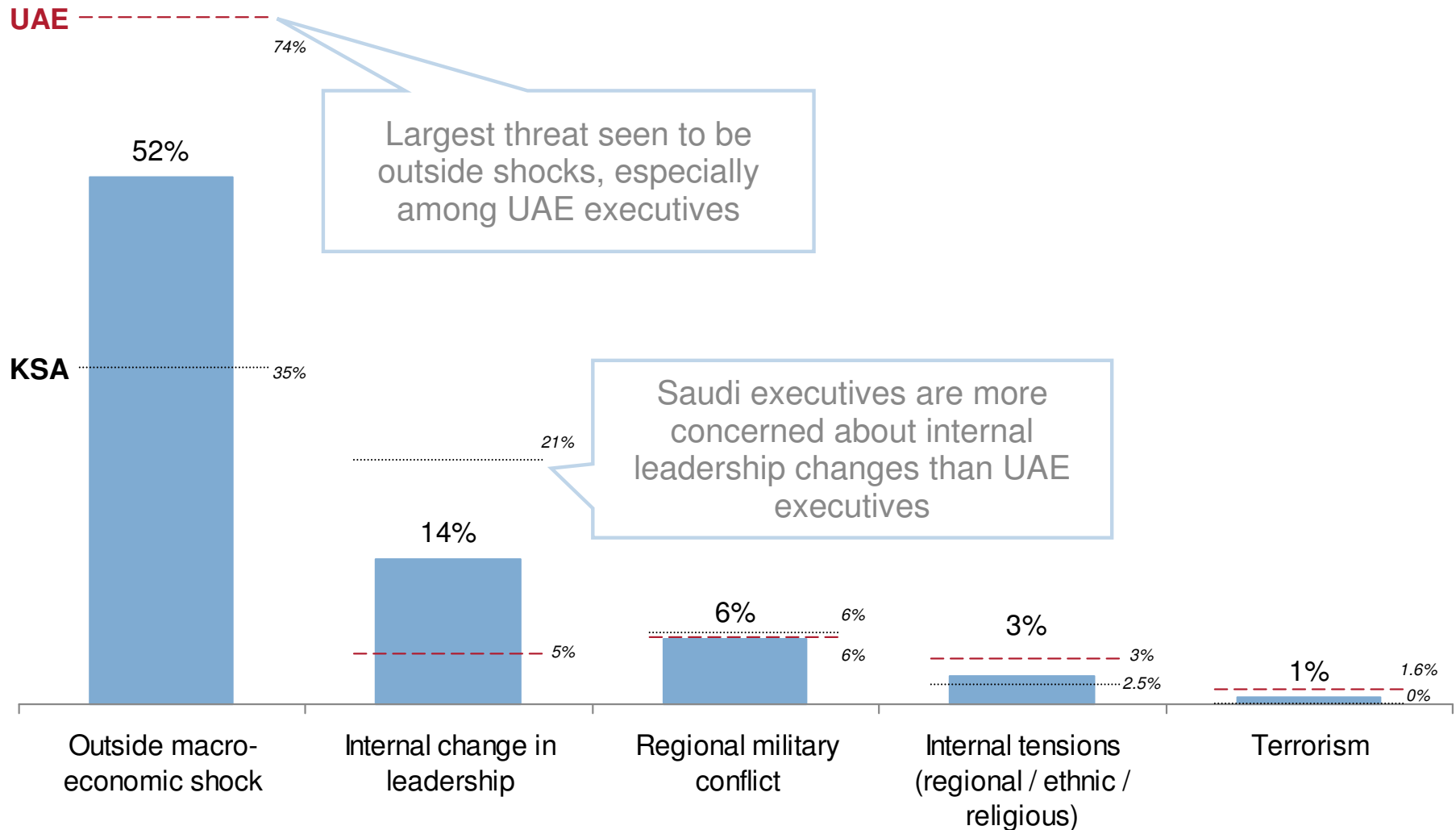
Comments

- Region potentially exiting worst of the Financial Crisis
- Marginally higher confidence in Saudi Arabia than in the UAE

Note: Sample size of 141 for the region. "Not stated" responses not shown in graph.

... but business executives remain aware of the fragility of the recovery...

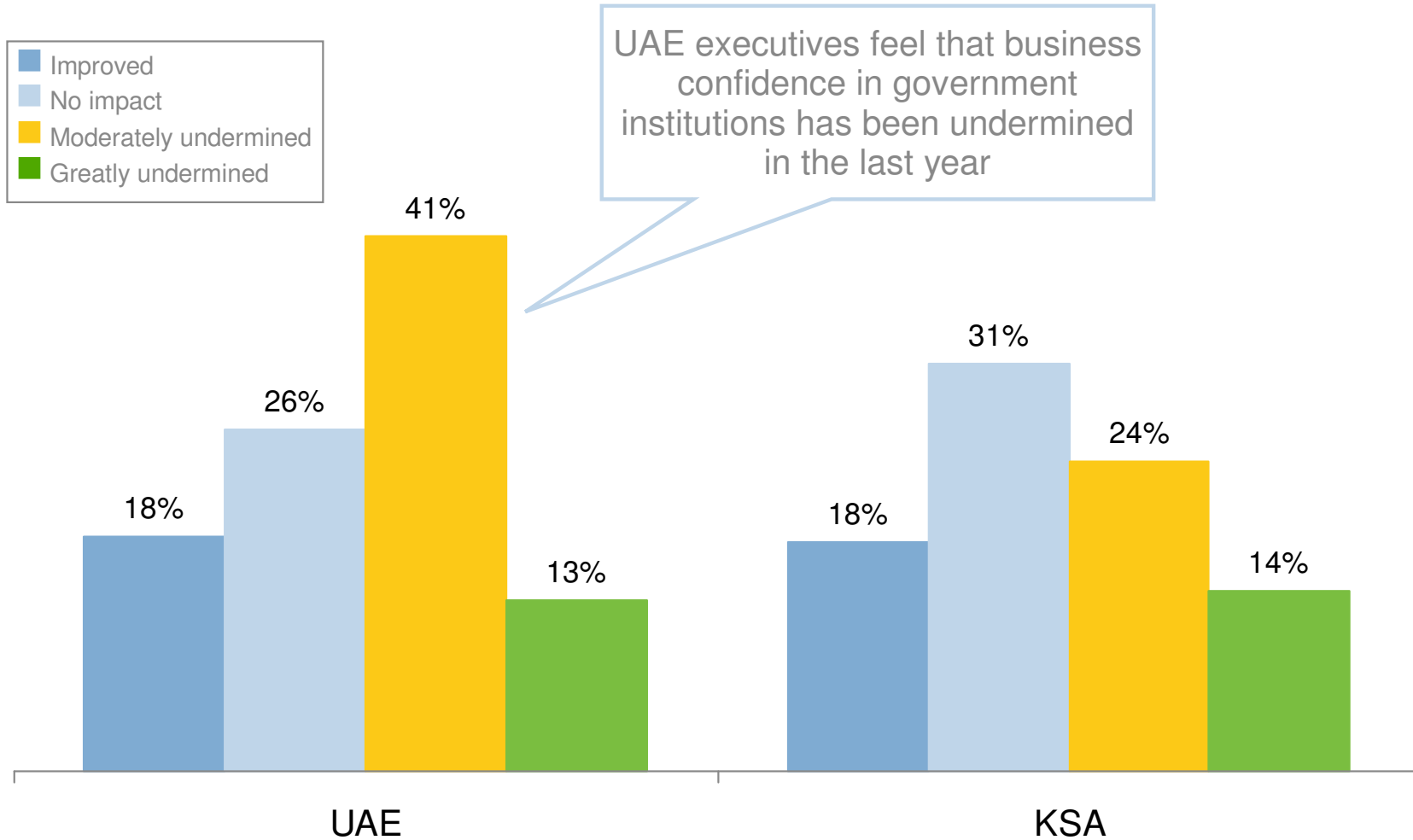
What do you see as the biggest threat to business conditions in your country?



Note: Sample size of 141 for the region. "Not stated" responses not shown in graph.

...and business leaders' confidence in their governments' ability to mitigate these threats has diminished

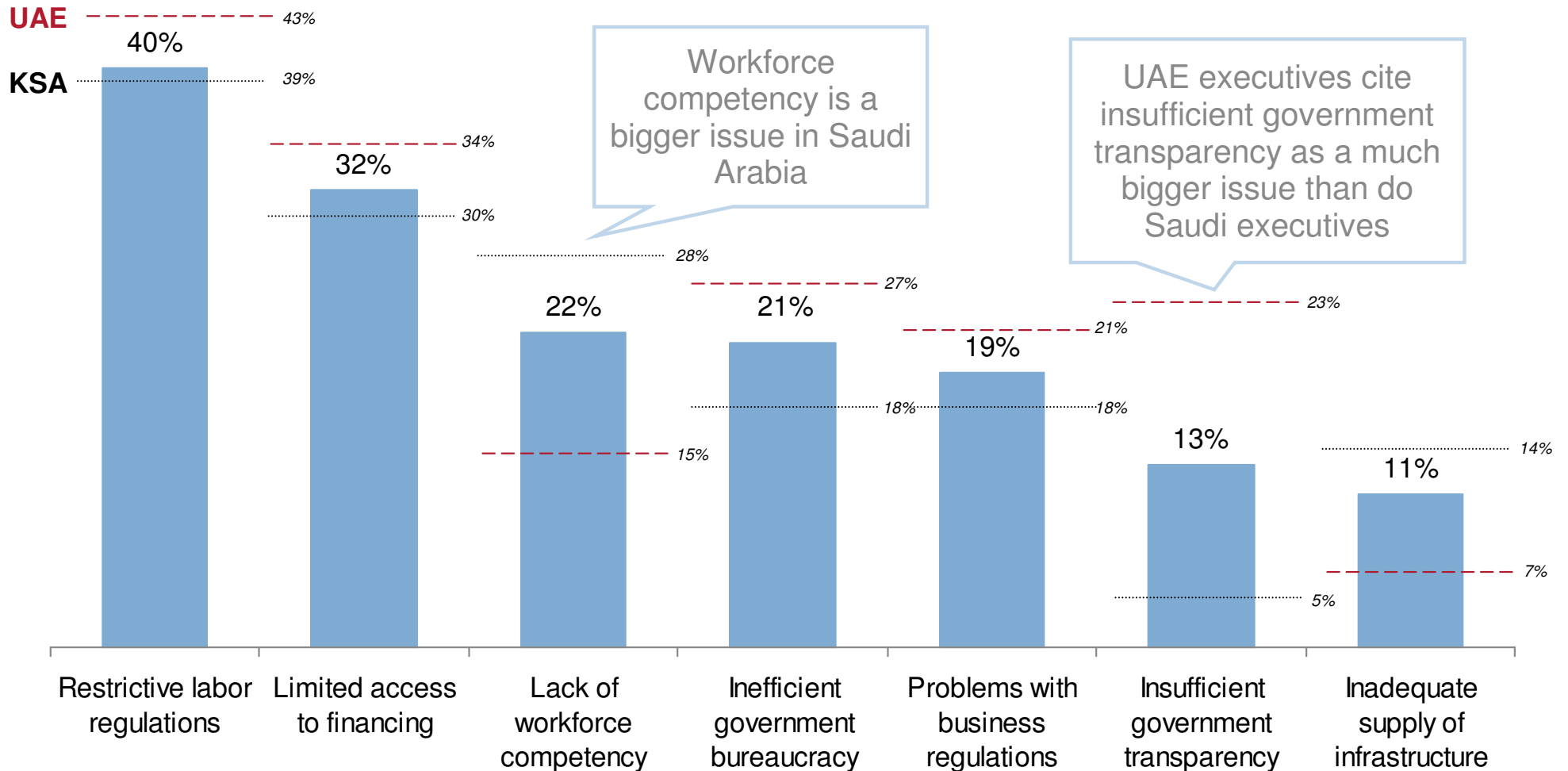
How has business confidence in government institutions changed over the last year?



Note: Sample size of 141 for the region. "Not stated" responses not shown in graph.

Part of the private sector's lack of confidence in the government may be related to key systemic issues

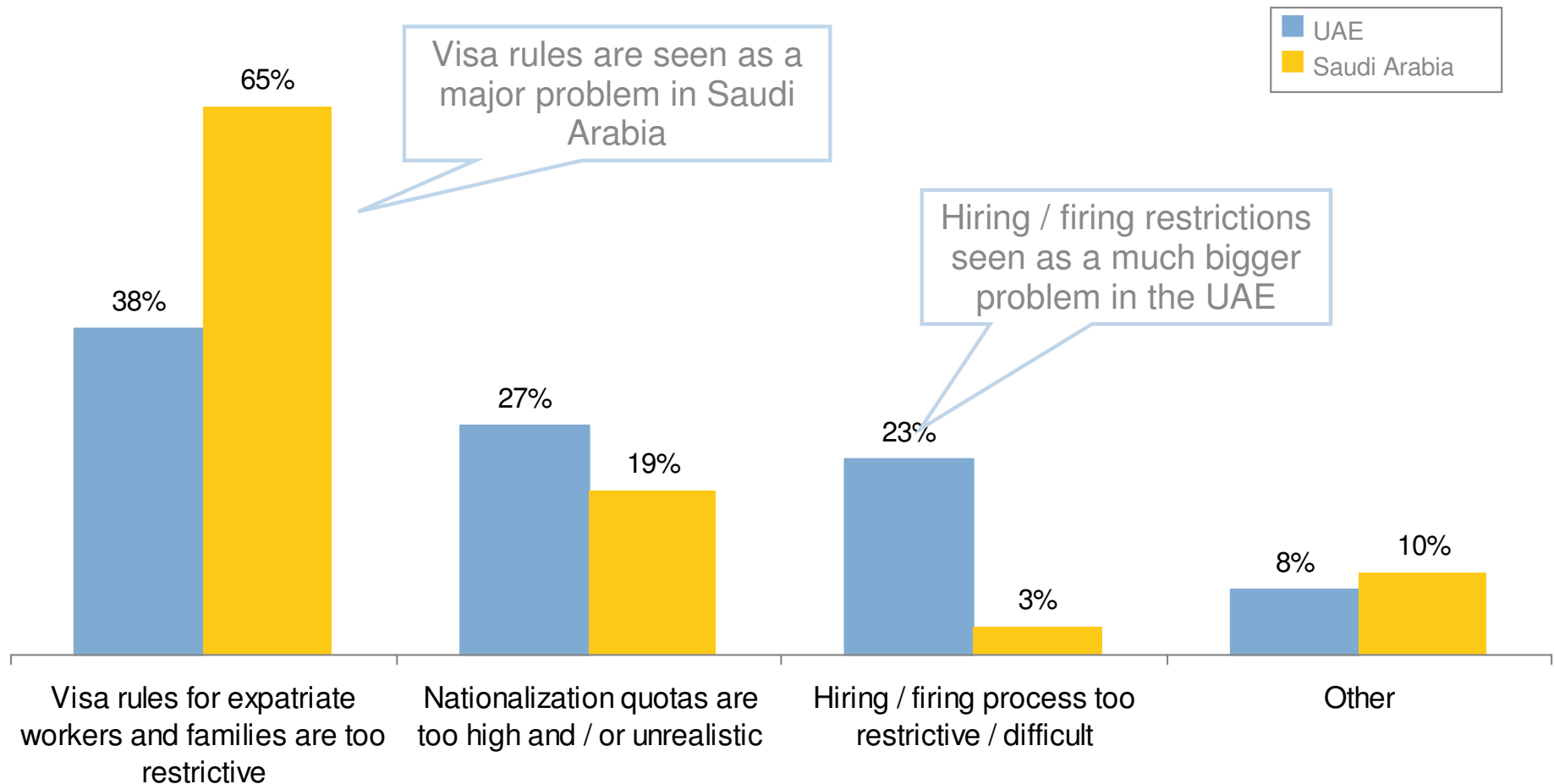
What are the two biggest hurdles to doing business in your country?



Note: Sample size of 141 for the region. "Not stated" responses not shown in graph. Question allowed two responses, resulting in a sum of percentages > 100.

Major issues in restrictive labor regulations were identified as difficulty managing human capital and regulating immigration

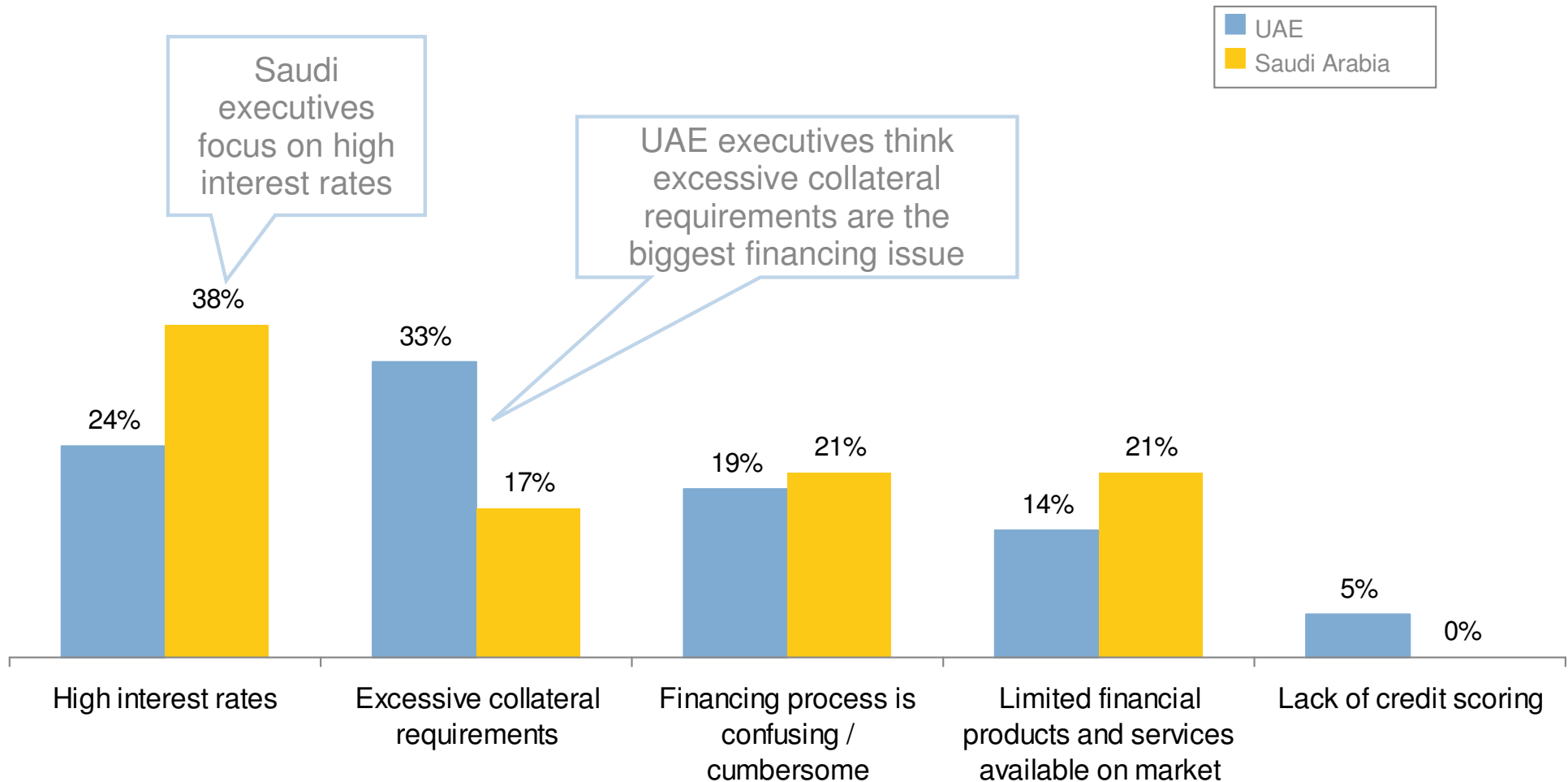
What factor about restrictive labor regulations presents the greatest challenge?



Note: Sample size of 141 for the region. "Not stated" responses not shown in graph.

Major issues in limited access to financing were identified as high interest rates and excessive collateral requirements

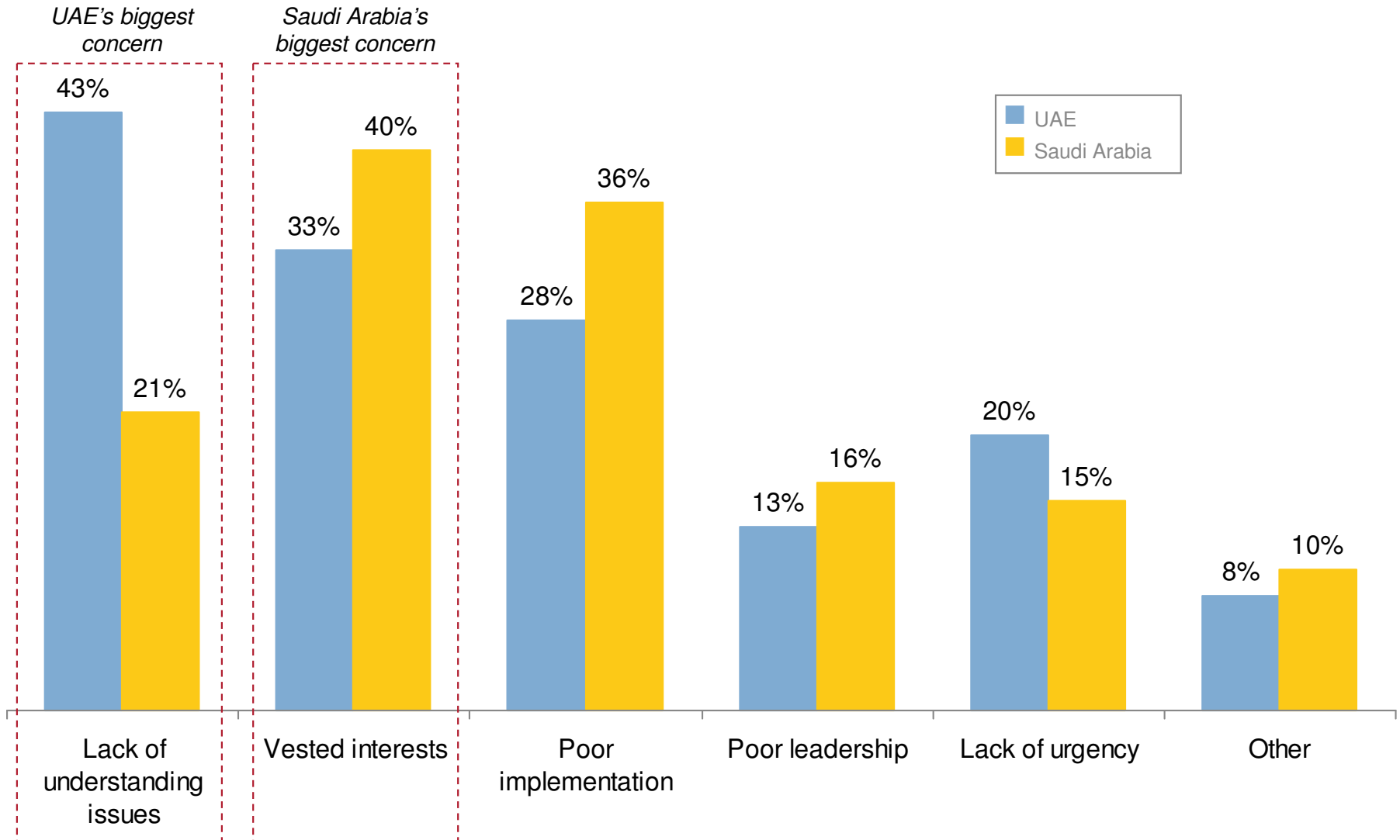
What factor about the limited access to financing presents the greatest challenge?



Note: Sample size of 141 for the region. "Not stated" responses not shown in graph.

UAE executives are more concerned about a lack of understanding of the issues impeding reform, whereas Saudi executives focus on vested interests

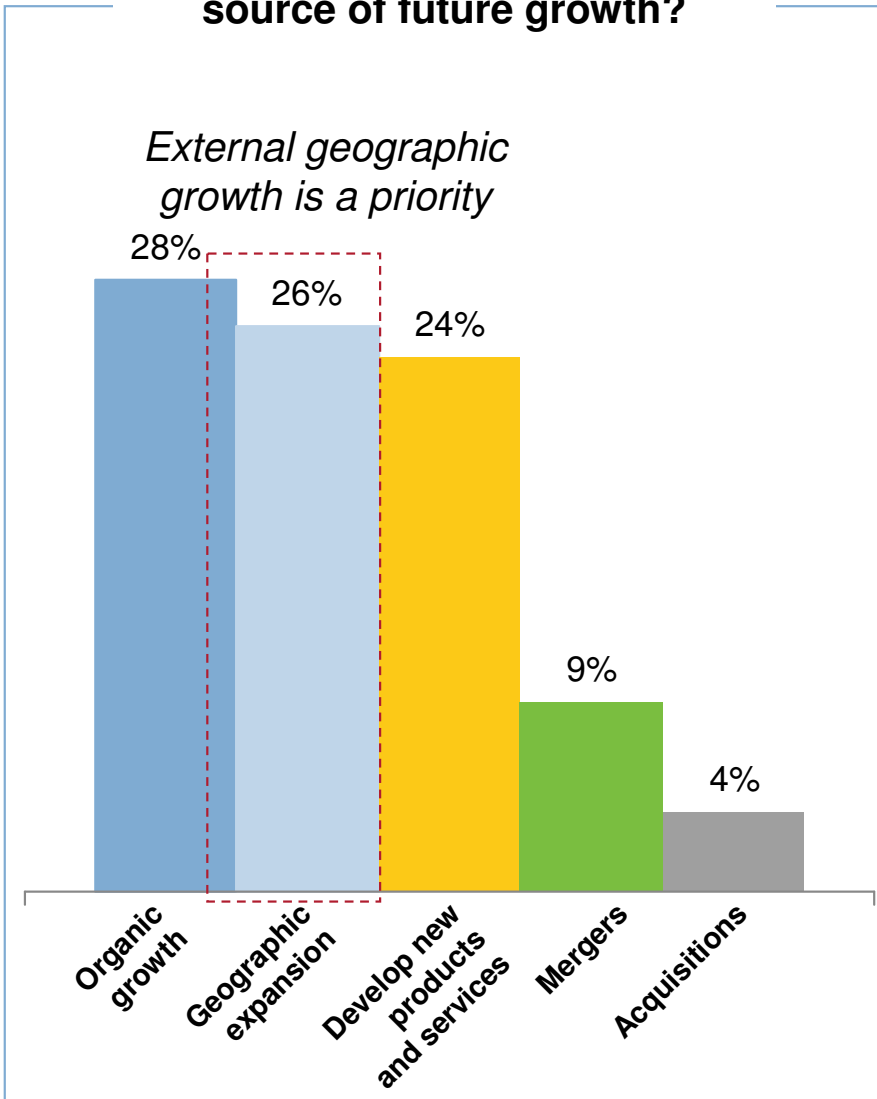
What are the two greatest obstacles to continued reform of governments in the region?



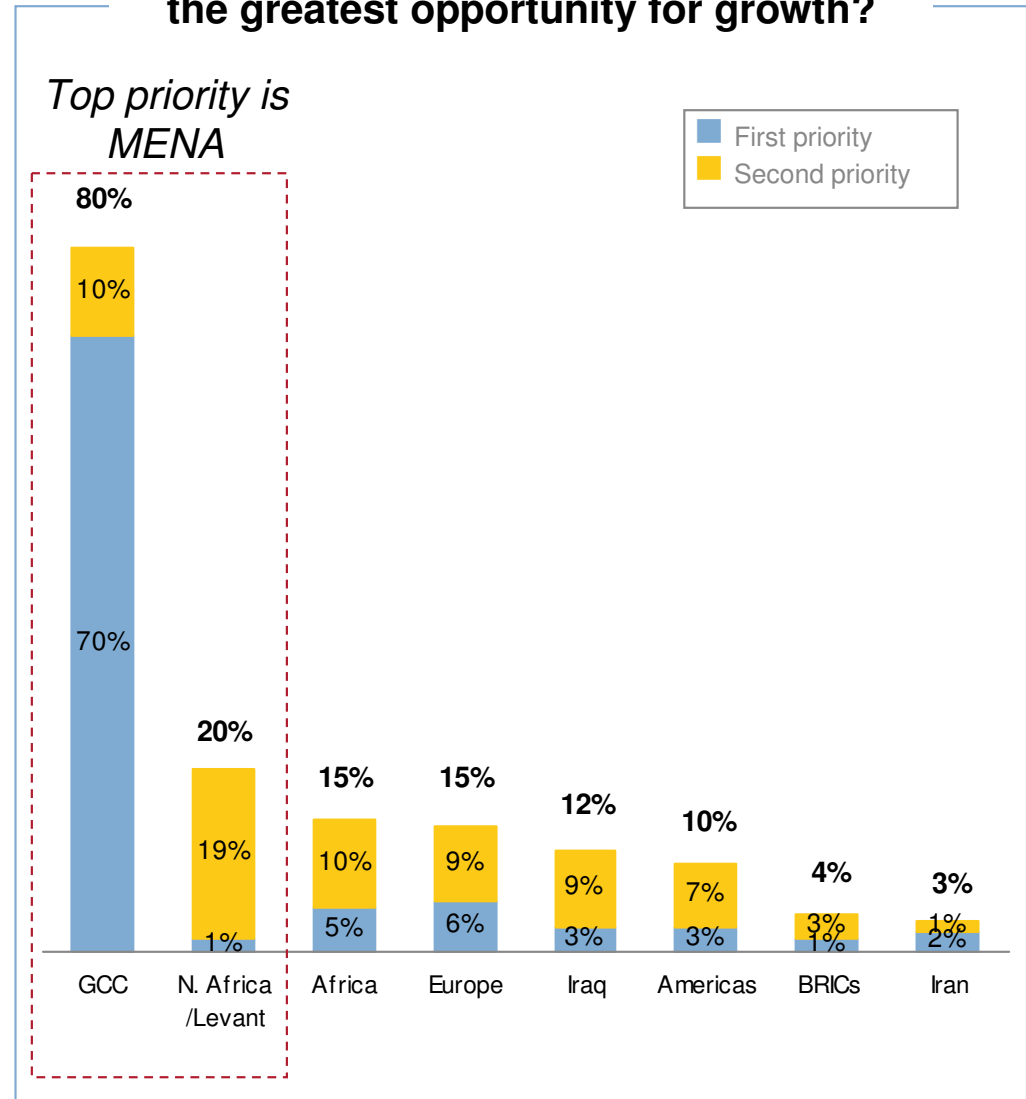
Note: Sample size of 141 for the region. "Not stated" responses not shown in graph. Percentages may add up to more than 100, since the question allowed for more than one answer to be given.

Executives remain excited about the future and are largely looking to the region for growth

For your company, what is the source of future growth?



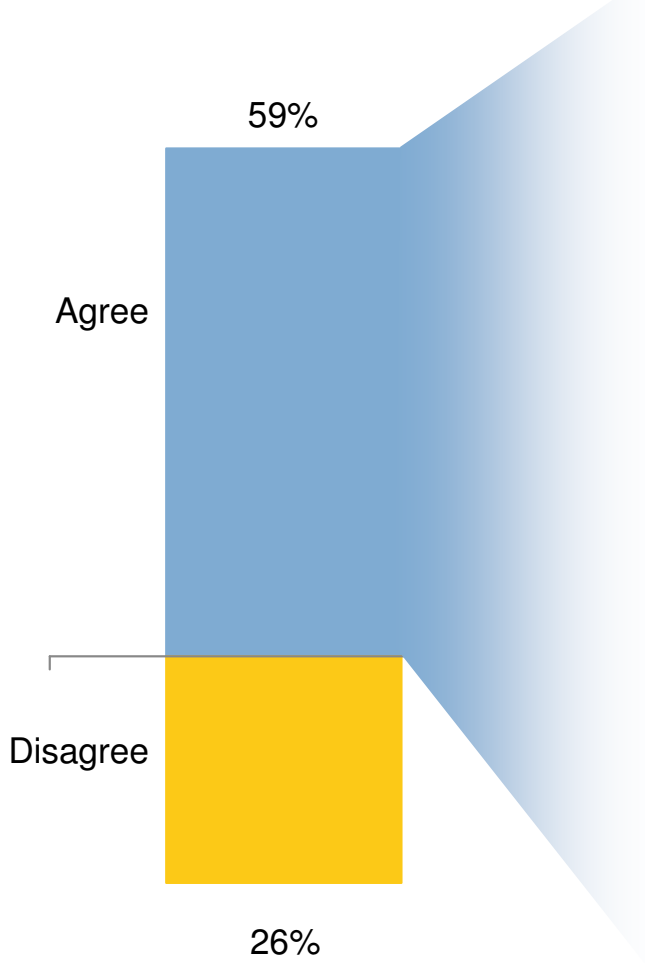
For your company, in which geography is the greatest opportunity for growth?



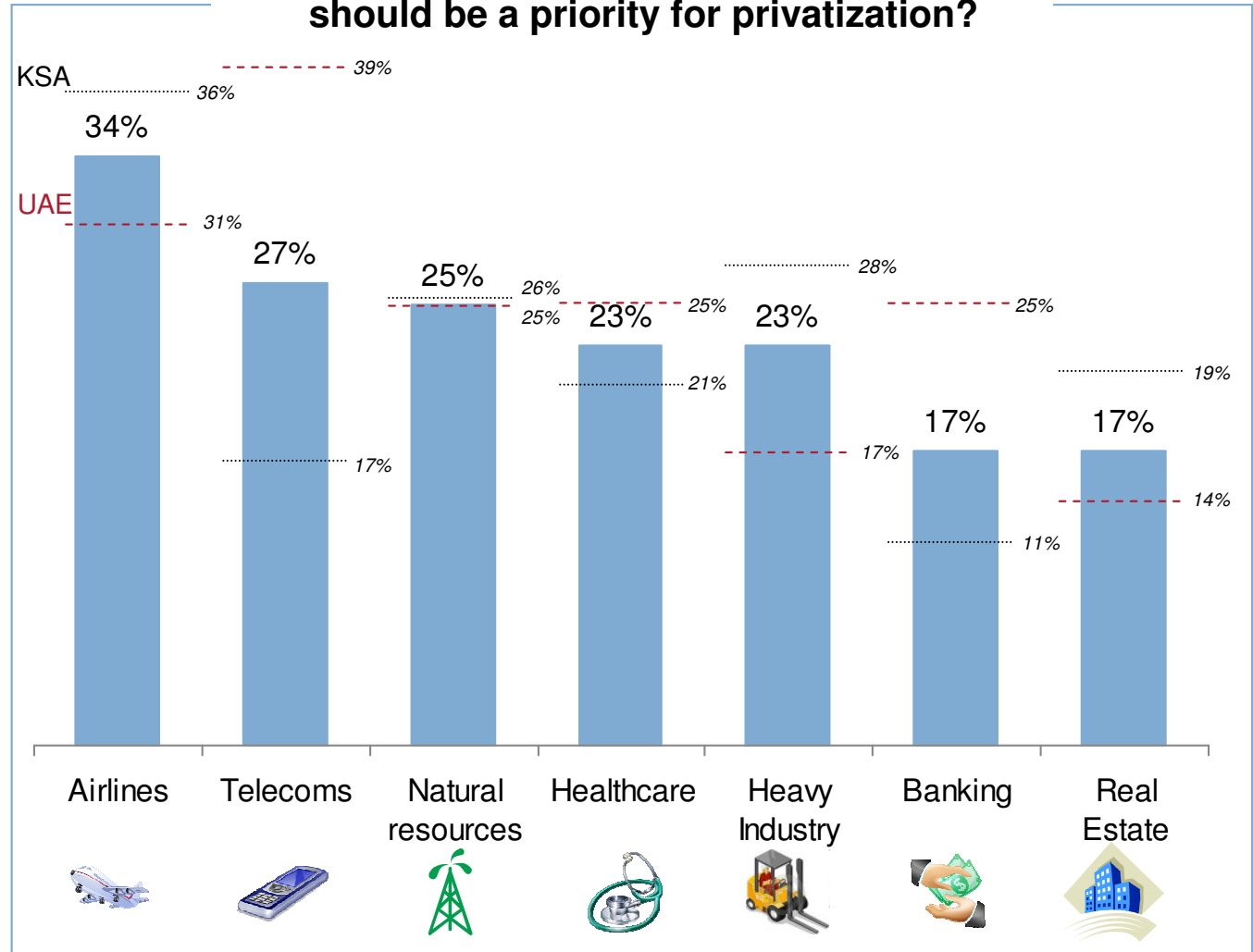
Note: Sample size of 141 for the region. "Not stated" responses not shown in graph. Question regarding geographical opportunities allowed two responses, resulting in a sum of percentages > 100.

Business executives also see privatization as an opportunity and as a priority for regional governments

Should privatization be a priority for your government?



Which of the following areas of the economy should be a priority for privatization?



Note: Sample size of 141 for the region. "Not stated" responses not shown in graph. Question allowed for more than one answer to be given – percentages are out of the number of people who agreed privatization should be a government priority.

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