

LEADERSHIP AMID TRANSFORMATION: Business opportunities and risks in the Middle East

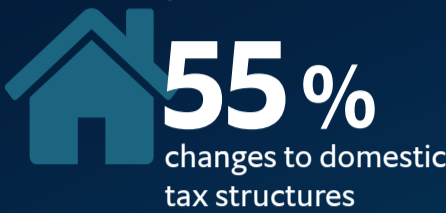
To better understand the most important geopolitical and macroeconomic opportunities and risks facing businesses in the Middle East, The Economist Intelligence Unit conducted a survey of 400 senior business executives in the region. The research explores how these are shaping market expansion strategies and how businesses are adapting amid industry disruption led by advanced technologies.

section 1

EXTERNAL ENVIRONMENT

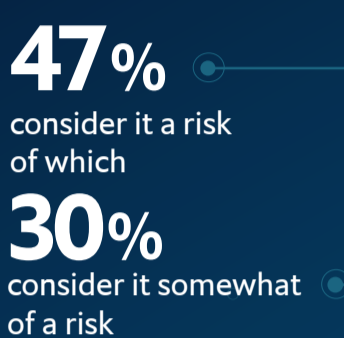
Macroeconomic risks trump geopolitical tensions

Top three risks cited by executives:



The region's business leaders are not swayed by short- and medium-term geopolitical risk factors.

GCC tensions with Qatar:



No direct impact on their business:



Strong support for economic diversification

Executives recognise changes to long-term oil market dynamics and strongly advocate for economic diversification.



Close to 50% of respondents in each sector (except for infrastructure/energy) see a slowdown in economic diversification as a risk.

Top opportunities in the Middle East:



section 2

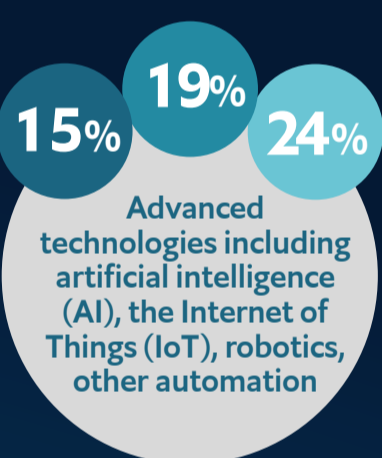
INTERNAL ENVIRONMENT

Coming soon to the Middle East: The Fourth Industrial Revolution

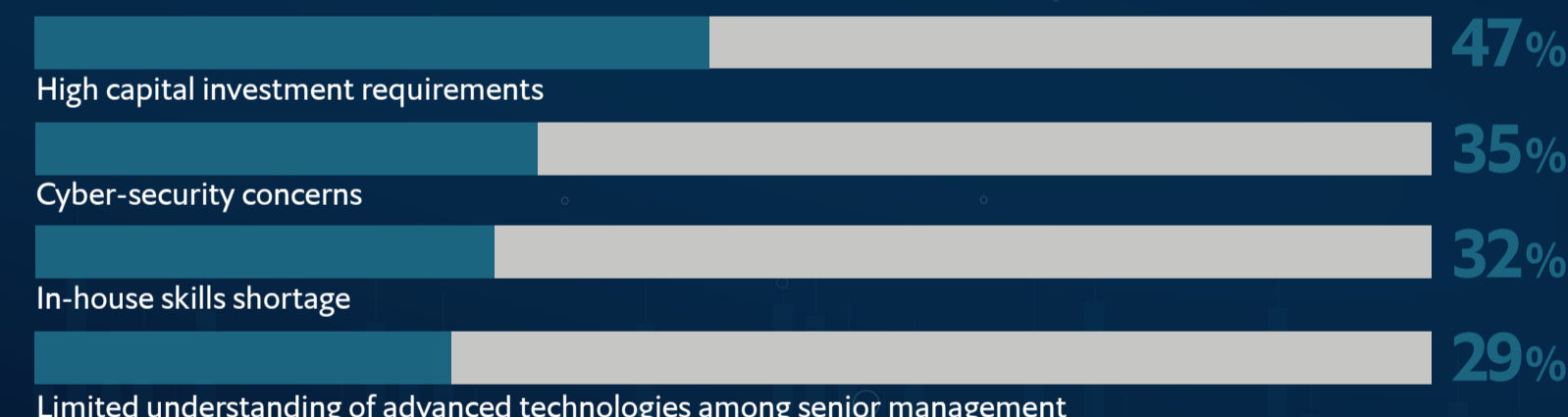
Executives expect advanced technologies to be deployed more widely in three to five years.

Top industry disruptors:

Short term Medium term Long term



Top impediments to adoption of advanced technologies (AI, IoT, robotics, blockchain):



Success amid disruption



Preparing for the Fourth Industrial Revolution:

- ✓ Upskilling employees
- ✓ Hiring new talent
- ✓ Trialling AI and blockchain

Non-C-suite respondents more likely to recognise the impact of advanced technologies than C-suite.

Priorities for the future



Participate in economic initiatives such as China's Belt and Road Initiative



Explore markets for expansion in the Middle East and beyond



Identify evolving consumer preferences of digital natives



Accelerate adoption of advanced technologies



Create opportunities for a virtual workforce



Understand and respond to climate change risk