

Family Enterprise Sentiment Pulse Check 2022

Here are the results

Introduction

With the economic and geo-political landscape reflecting so much uncertainty, we wanted to test the sentiment of the region's Family Enterprises across a range of market dynamics. The results are striking. Family Enterprises expect the thriving conditions currently seen in the Gulf economies to sustain, underpinned by a high oil price, and in tandem with this a general transfer of global influence from the West to the East. Less surprising was the embrace of digital where areas such as the metaverse and digital assets are becoming increasingly familiar. The eyes of the world were firmly on the region with Qatar hosting the FIFA World Cup. We can conclude that these results reflect highly positive sentiment towards the landscape at home, paired with appropriate caution and perhaps inevitable opportunity seizing likely to be exercised in the developed markets. The Middle East stands out as perhaps the most exciting and thriving market of the moment.

— **Scott Whalan, Deloitte Middle East Family Enterprise Leader**

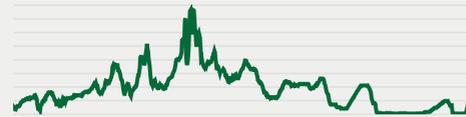
What do you think the **oil price** will be in:

1 year? **\$96.0**
3 years? **\$92.0**

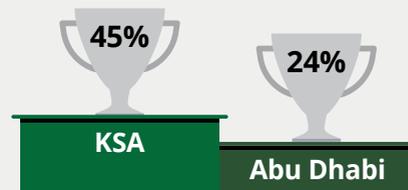


The US Fed rate

- ▶ **At what rate will it peak?**
33% think the US Fed rate will peak between **4 to 5%**
- ▶ **What will be the rate in the next 3 years?**
50% believe the US Fed rate will be in the range of **2 to 4%**
- ▶ **When will the rate peak?**
80% believe that the US Fed rate will peak in **2023**



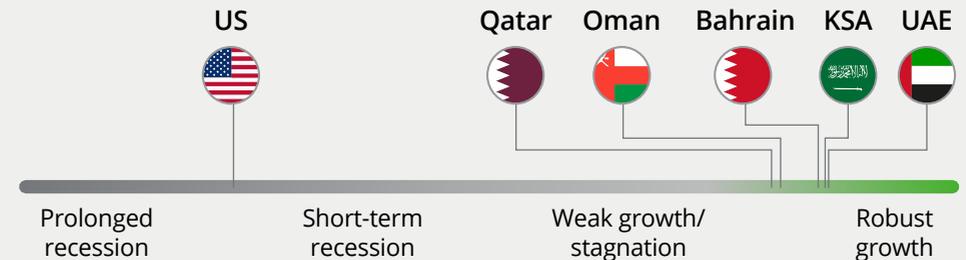
Which **two regional stock markets** will see the strongest growth over the **next three years?**



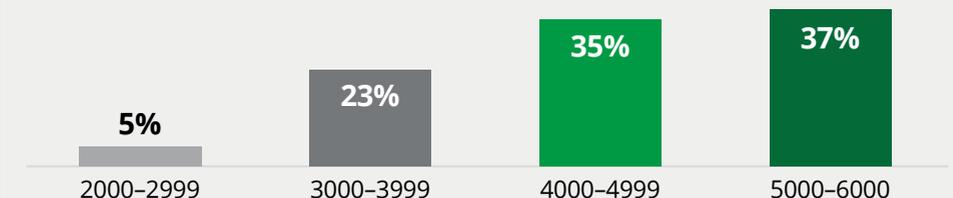
What will the **end-year inflation rate** in your country be in **three years?**



How do you expect the **US and Gulf economies** to perform over the next three years?



Where do you think the **S&P500** will be in **three years?**



Note: The S&P500 all time high is 4,818 as of 4 January 2022.

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Economist comment

Respondents to the survey expect the featured Middle Eastern economies to grow strongly next year as other markets slow. High oil and gas prices and increased production have boosted economic activity this year and respondents foresee continuing support from higher prices, as they expect oil to trade above \$90/b for the next three years. Elevated energy prices will help the region's hydrocarbon exporters to offset the impact of strengthening global headwinds, and post robust growth next year. Inflation has been rising in the featured economies but is much lower than the multi-decade highs in the US where the Federal Reserve is hiking interest rates in response. Respondents anticipate interest rates in the US will continue to rise, peaking between 4.5% and 5% next year. Higher interest rates in the US will feed through to regional economies as central banks follow the Fed by raising rates to maintain their currency pegs to the dollar.

— Tom Simmons, Senior Economist, Deloitte UK

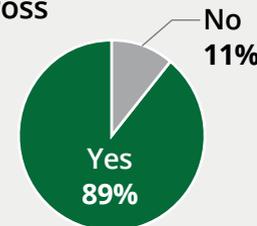
What is your buy-sell-hold sentiment around the following asset classes?

- Buy**
 - ▶ Equities—Regional
 - ▶ Emerging growth companies/venture capitals
- Sell**
 - ▶ Real estate—Regional
 - ▶ Equities—International
- Hold**
 - ▶ Private business
 - ▶ Real estate—International

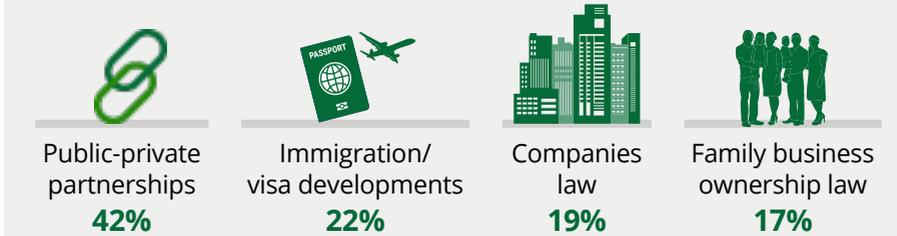
Monday-Friday work week impact

- 1** **45%** believe that it has had a **positive impact**, while only **11%** believe that it has had a **negative impact**
- 2** **59%** believe that the entire region will **move to a Monday-Friday week** in the **distant future**

Will corporate income tax be implemented across all Gulf countries?



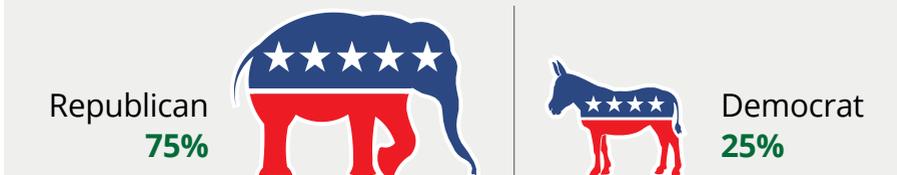
Which government developments and initiatives do you feel will have the greatest positive impact on your family enterprise?



Where will global influence sit in three years?



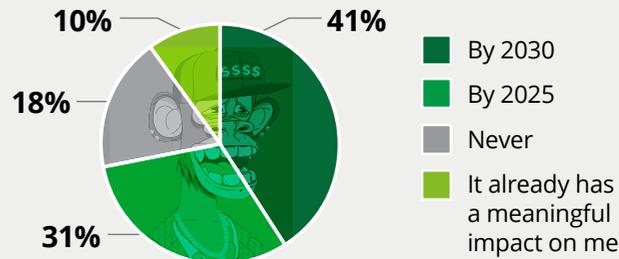
Which party will win the next United States presidential election in November 2024?



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When will the **metaverse** and **NFTs** (non-fungible tokens) have a **meaningful impact** on you?



“The Middle East is at the forefront of the metaverse and NFTs trend. Family enterprises are seeing the application of these technologies within their businesses and meaningful impact of these technologies is taking the form of increasing number of use cases eg: deploying virtual interaction with products, virtual dressing rooms, AR technologies embedded on websites, smart contracts for real estate and a lot more use cases to look forward to.”

— Aditi Nitin, Data and Digital Transformation expert for family enterprises, Deloitte Middle East

Is **cryptocurrency** a necessary part of:

Government planning and initiatives? **42% agree**

Their lives? **38% neutral**

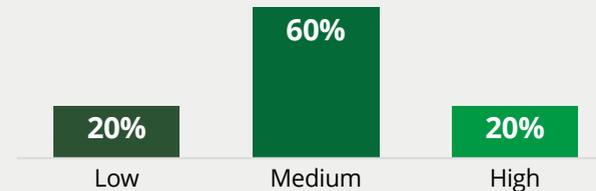
Their portfolios? **Nearly 50% disagree**



59% are inclined to switch to an **electric vehicle** in the near future



How much of an **overall benefit** do you think the **2022 FIFA World Cup** will have for the **State of Qatar**?



“Qatar has fulfilled its promise to host an impeccable FIFA World Cup, which has provided an opportunity for the rest of the world to visit the State of Qatar. However, the benefit of the FIFA World Cup will not just be limited to the State of Qatar but will benefit the wider Middle East.”

— Joseph Khalife, Qatar Deloitte Private Leader

What **book** have you read recently that had the **most impact** on you?

- ▶ Sapiens: A Brief History of Humankind
- ▶ Principles for Dealing with the Changing World Order
- ▶ The Alchemist
- ▶ The Mountain Is You



48% consider **sustainability** to be a priority in the near term



If you could **solve one problem in your business** in an instant, what would it be?



- | | |
|--|---|
| <ul style="list-style-type: none"> ■ Management 45% Corporate structure and talent Vision, growth and strategy Work culture Governance Information flow | <ul style="list-style-type: none"> ■ Financial 27% Funding Top line Cashflow Bottom line Investments |
| <ul style="list-style-type: none"> ■ Operational 16% Efficiency | <ul style="list-style-type: none"> ■ Technological 12% Digitization Automation |

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