

6 February 2023

MIDDLE EAST EXECUTIVES AMONG WORLD'S MOST OPTIMISTIC ON GROWTH

Executives in the Middle East are some of the world's most optimistic when it comes to new business growth in the year ahead, with expansion overseas a key priority for many of them.

Our latest survey of leaders in companies with revenues of between US\$10 million and US\$500 million shows clearly that the preferred strategy to deal with the economic uncertainties created by central banks raising interest rates to fight inflation, is to double down on investing for growth.

And it is executives in the Middle East who have the highest expectations of the success of those growth plans.

Of the 1,700 chief executives and chief financial officers we polled across 14 markets, 77% of them were targeting at least 10% revenue growth in 2023. Confidence in achieving that goal is highest in the UAE (93%), followed by India (88%), Mexico (86%), Australia (84%) and Indonesia (80%).

Meanwhile nearly-half (46%) of all respondents say expansion into at least one new foreign market is an investment priority for the year to meet their revenue growth goals. And 40% will seek external investment to support their growth plans.

Those intentions of international expansion align with the reality of the business flows that we see as the world's leading trade bank.

Middle East trade flows continue to gain pace despite the uncertainty elsewhere, with the strategic location of the region proving to be a particular advantage enabling internationally-minded businesses to expand along the substantial trade and investment corridors that exist with Asia, Europe and the US.

New business verticals, new products, and new supply chains are being formed.

Looking ahead with confidence

The focus on growth is the key to how executives plan to address the challenges they see. Inflation and the cost of living is cited as the top risk by business leaders in the region (38%), increased interest rates comes next (32%), followed by political uncertainty (27%).

Putting growth in the spotlight is leading to substantial revisions of business plans and deeper analysis of supply chains to see where revenue can be grown, or costs can be cut.

Those revisions have also led to re-prioritisations for many companies, with nearly half (48%) of UAE respondents highlighting sustainability as becoming a key business driver. With COP27 in Egypt last year and COP28 being hosted in the UAE at the end of 2023, the focus on sustainability as a growth enabler is likely only to get sharper.



The key takeaway from the research for me is that even in a difficult environment, ambitious, forward-looking businesses will put together a plan to deliver growth, to manage supply chains, to pay bills and manage liquidity.

This article first appeared on Enterprise on behalf of Chaker Zeraiki, 6th February 2023