

Transitioning to the new normal

Middle East Updates



Our focus for today

Welcome

Stephen Anderson

Strategy and Markets Leader
PwC Middle East

Economic update

Richard Boxshall

Chief Economist
PwC Middle East

What's next for retailers in the Middle East

Norma Taki

Consumer Markets Leader
PwC Middle East

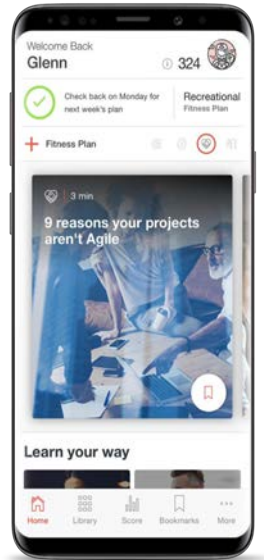
Salesforce - how global businesses are aspiring to return to work

Craig Walker

SVP Strategic Customer Advisor
Salesforce

Q&A

Helpful resources



Digital Fitness for the World

PwC's upskilling contribution to the world in response to COVID-19. Access our free Digital Fitness App available from the Apple App store and Google Play store.

If registering with your personal email, use invite code (LRNALL) to access today

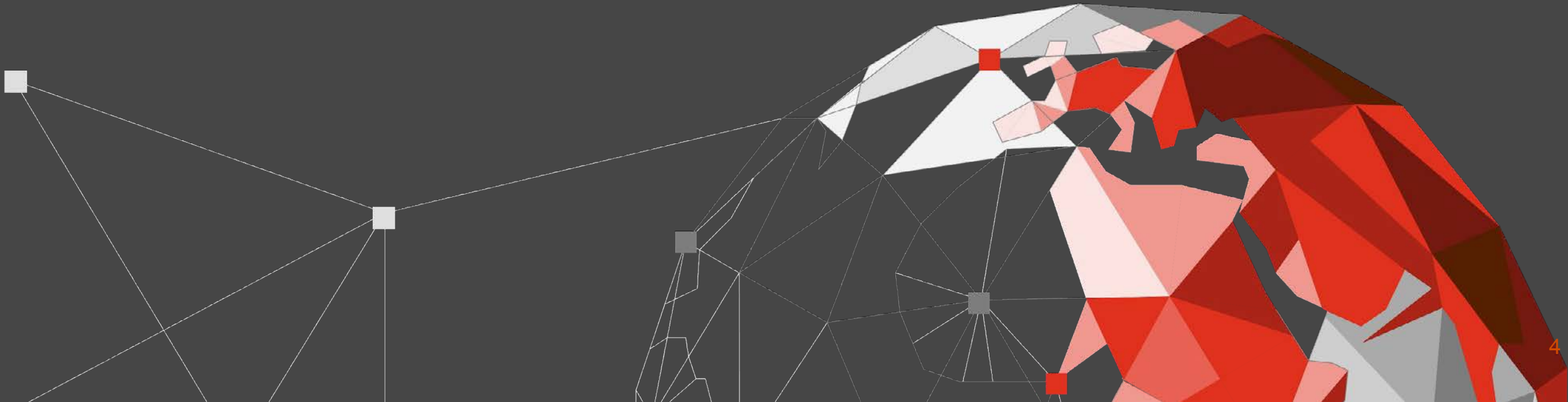
Responding to the potential business impacts of COVID-19

COVID-19 can cause potentially significant people, social and economic implications for organisations. This page provides information on how you can prepare your organisation and respond.

PwC ME COVID-19 website - prior webcasts, insights and resources

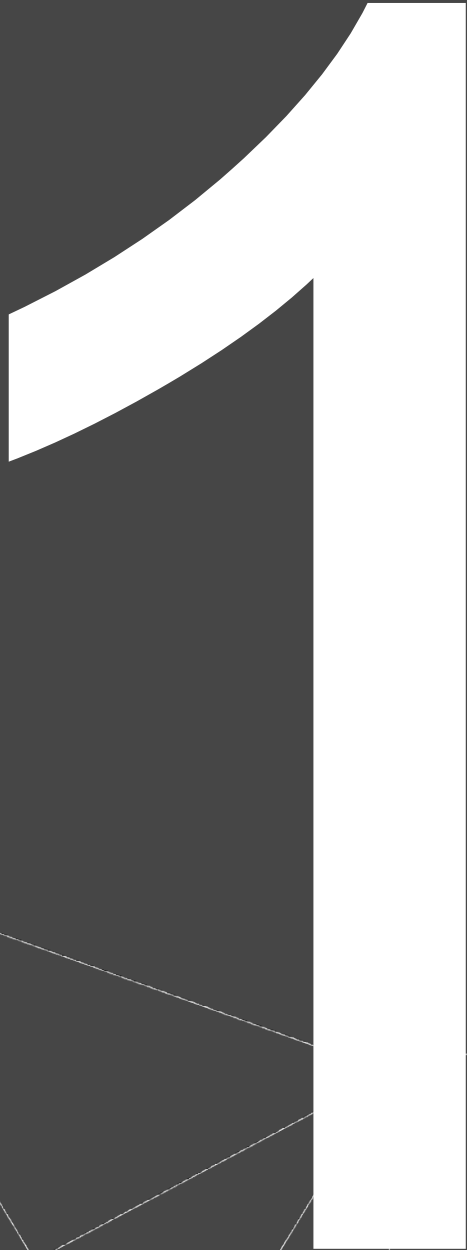
www.pwc.com/me/covid-19

Quick poll

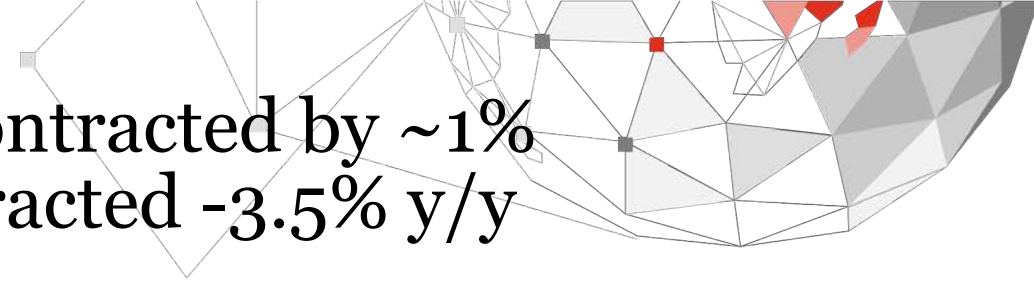


Economic update

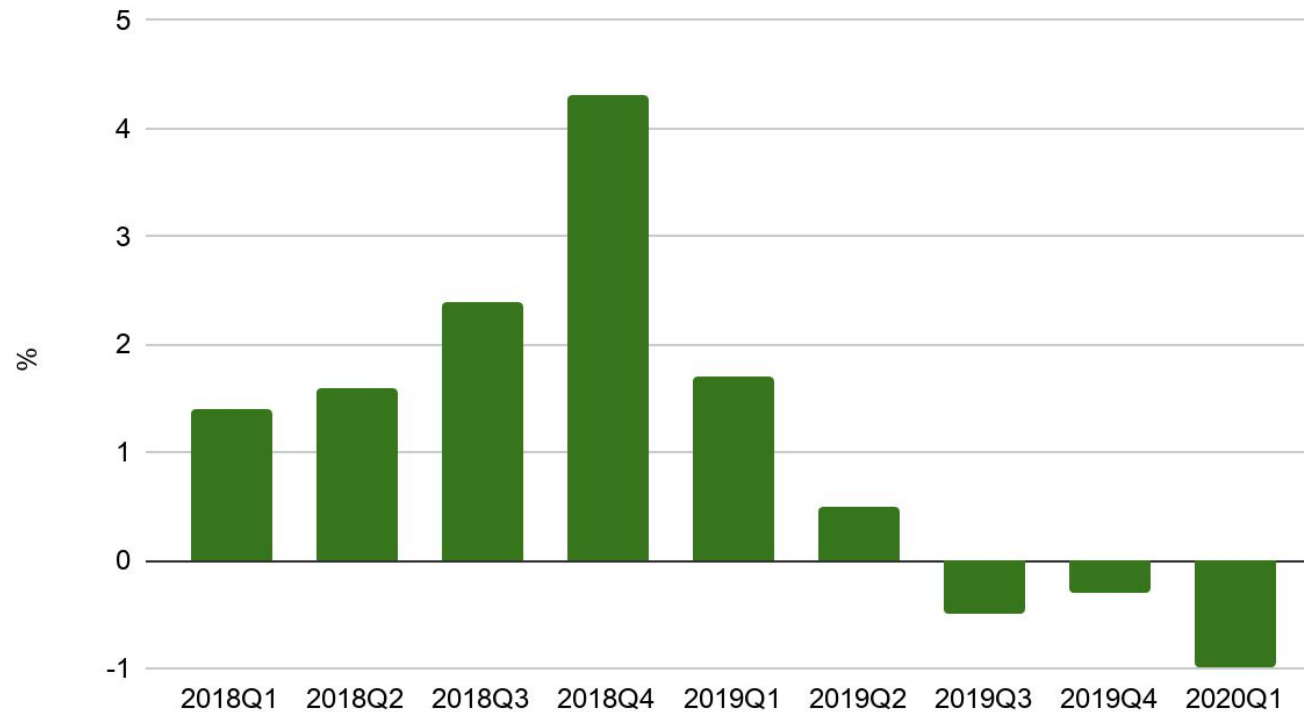
Richard Boxshall



Saudi Arabia's and Bahrain's economies contracted by ~1% y/y in Q1 2020 and Dubai's economy contracted -3.5% y/y



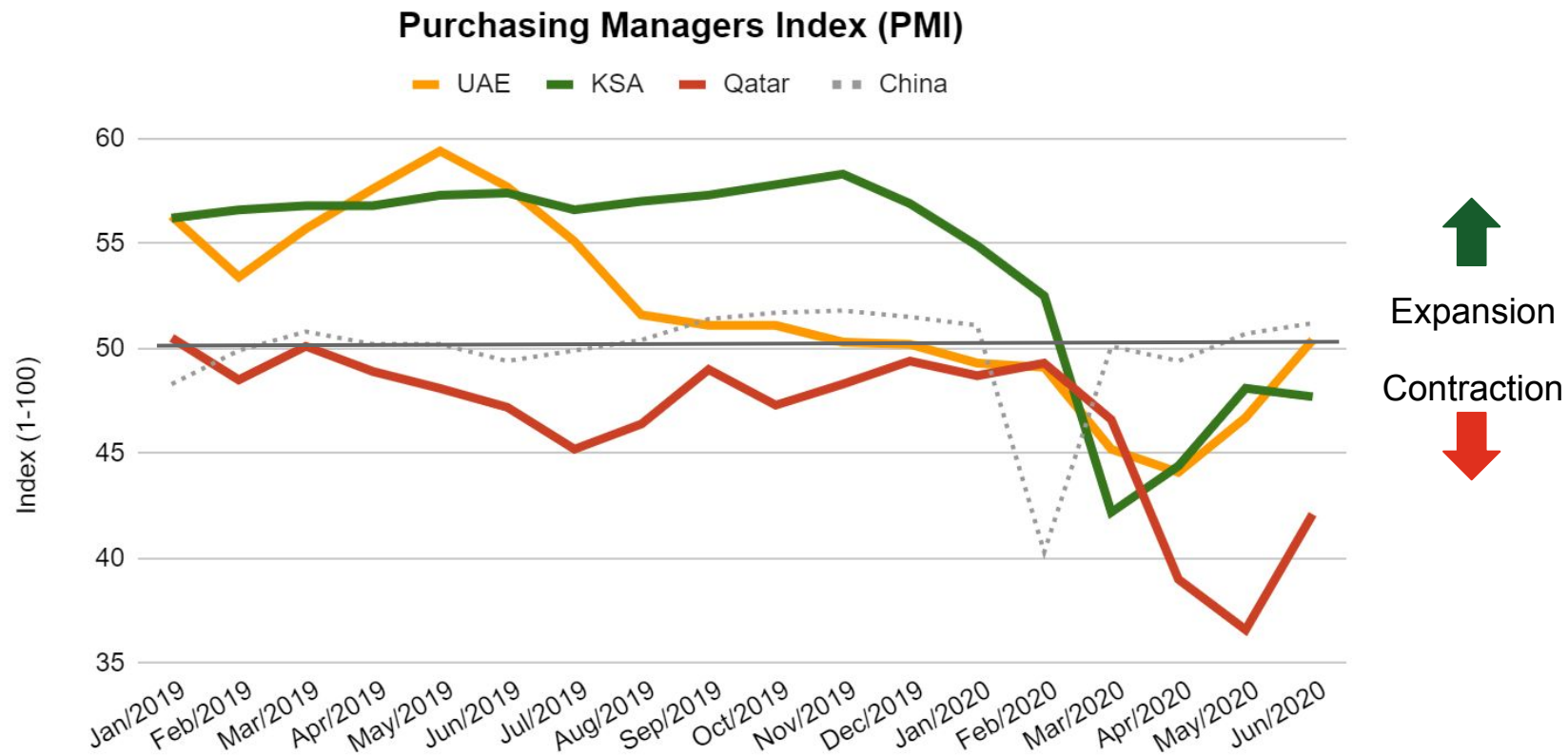
Kingdom of Saudi Arabia, annual GDP growth



Commentary

- Saudi Arabia's economy contracted -1.0% y/y and -4.5% q/q in Q1 2020
- Dubai's economy contracted by -3.5% y/y in Q1
- Bahrain contracted by -1.1% y/y in Q1
- This data confirms the slowdown in the region from the initial impact of COVID-19 lockdowns

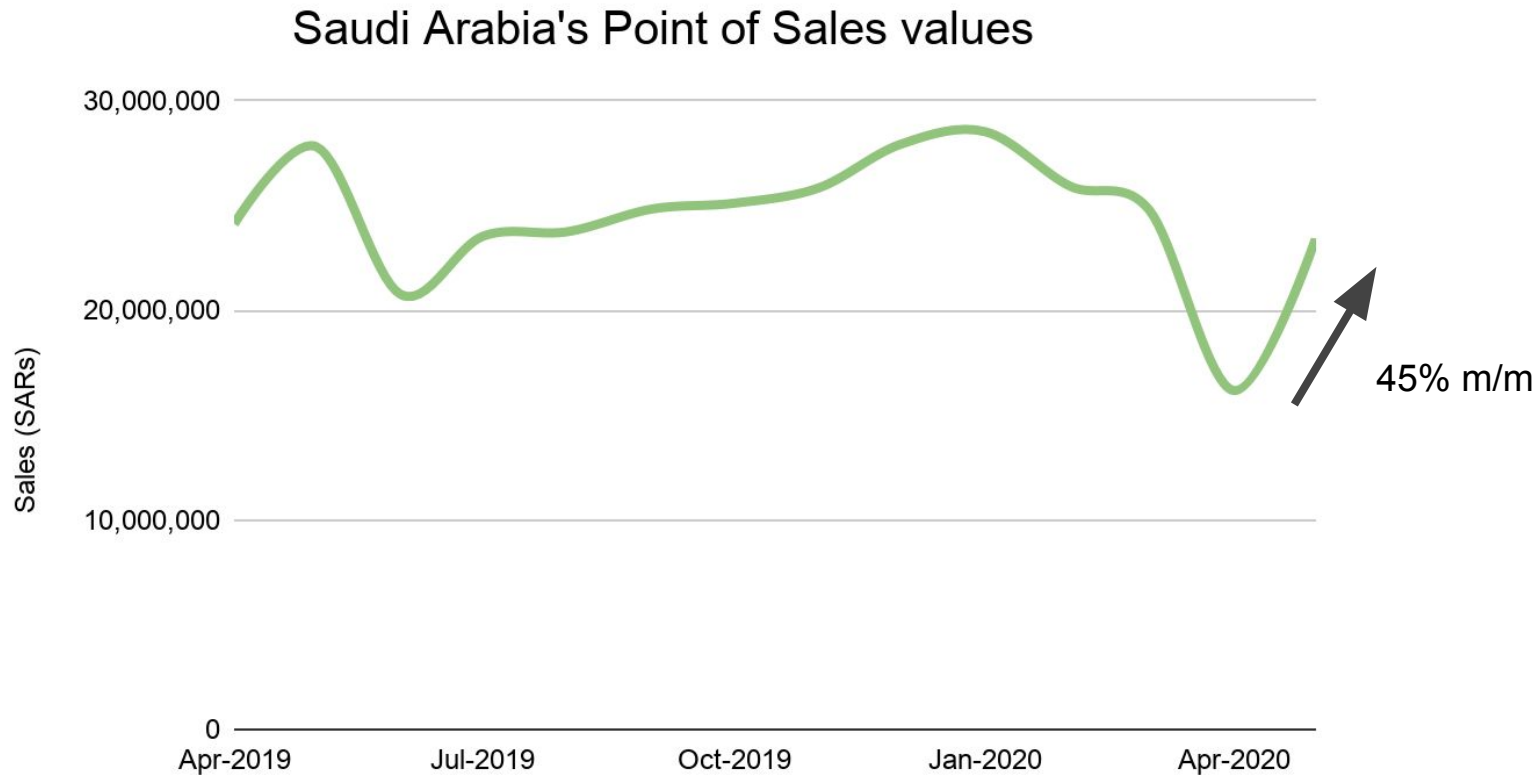
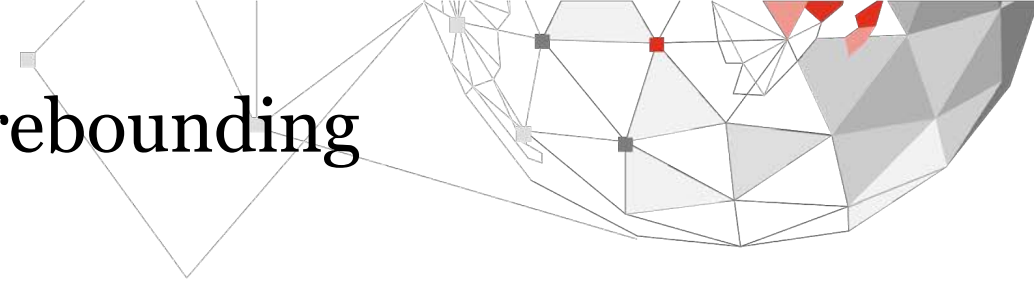
UAE headline PMI rose in June, the first expansionary reading this year



Commentary

- PMI indicates non-oil private sector activity
- In June, UAE registered the first expansionary reading (50.4) this year
- Dubai (not shown here) stabilised, with headline PMI of 50.0
- KSA and Qatar remained in contractionary territory

Saudi Arabia's Point of Sales transactions rebounding by 45% m/m in May

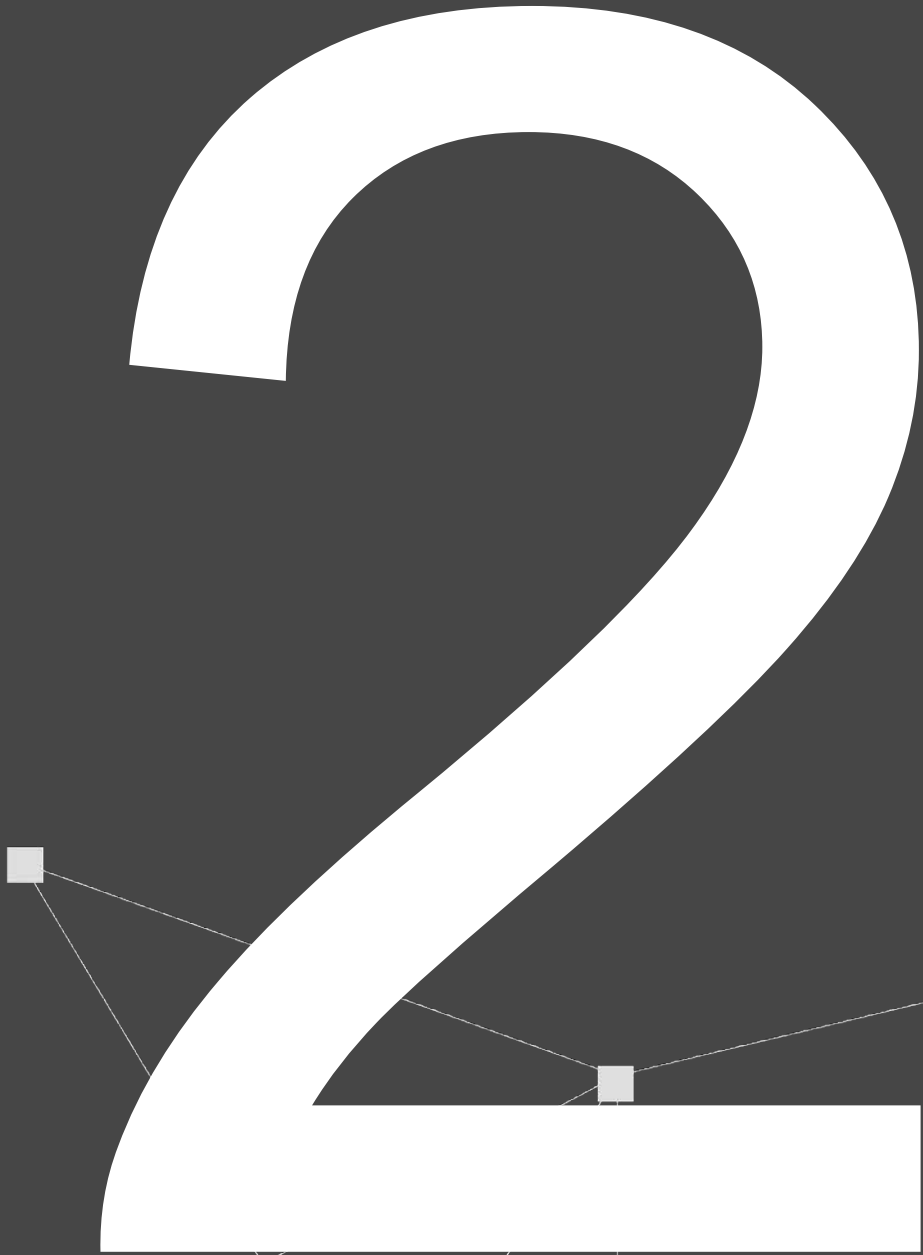


Commentary

- Point of Sales is a consumer spending indicator reported weekly and monthly
- May sales were down 15% y/y but demonstrated a sharp upswing of 45% m/m
- The upward trend was seen across most sectors through the weekly data in June

What's next for retailers in the Middle East

Norma Taki



How resilient Middle East consumers have responded to COVID-19

Global Consumer Insights Survey COVID-19 Pulse
Middle East findings



About the Global Consumer Insight Survey (GCIS) survey & the COVID-19 Pulse

Before COVID-19*

19,098

Total respondents

1,020

Respondents in the
Middle East

After COVID-19 outbreak**

4,447

Total respondents

501

Respondents in the
Middle East

Territories that participated in the GCIS COVID-19 Pulse

China

France

Germany

Middle East

Netherlands

Spain

Sweden

United Kingdom

Cities in the Middle East

Abu Dhabi

Jeddah

Dubai

Riyadh

Cairo

Impact of COVID-19 on income and spending

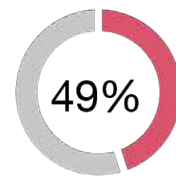
62%

of consumers surveyed in the Middle East have experienced a **decrease in household income due to redundancy, loss of job or reduction of hours**

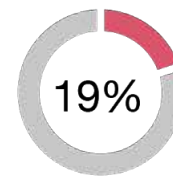
49%

have experienced an **increase in household bills**

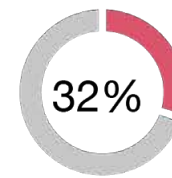
After COVID-19 outbreak



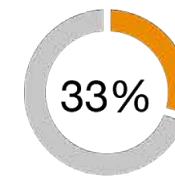
Spend more



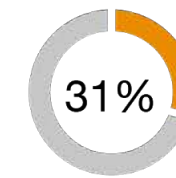
Spend the same



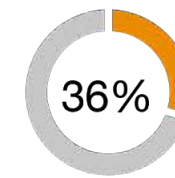
Spend less



Spend more

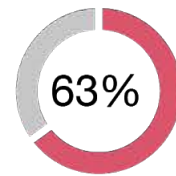


Spend the same

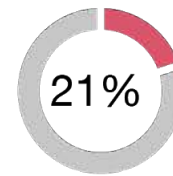


Spend less

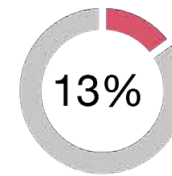
Before COVID-19



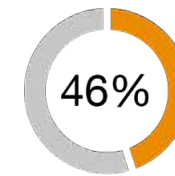
Spend more



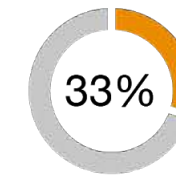
Spend the same



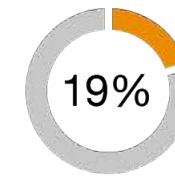
Spend less



Spend more



Spend the same



Spend less

 Middle East

 All territories

Middle East urban consumers believe that their city is effectively managing the impact of COVID-19

My city was well prepared to deal with the impact of COVID-19

Agree

46%

All territories

76%

Middle East

My city is effectively managing the impact of COVID-19

Agree

56%

All territories

81%

Middle East



Consumer habits have been affected by the COVID-19 pandemic

Before COVID-19

Middle East consumers spent their disposable income on

42%

Dining out

41%

Travel

27%

Health and wellness



Post COVID-19 outbreak

Top areas of **increased** household spend

Middle East

All territories



Grocery

61%

52%



Entertainment
& Media

41%

32%



Restaurant food
pickup/delivery*

29%

23%

Top areas of **decreased** household spend

Middle East

All territories



Clothing &
Footwear

50%

47%



Restaurant food
pickup/delivery*

42%

33%



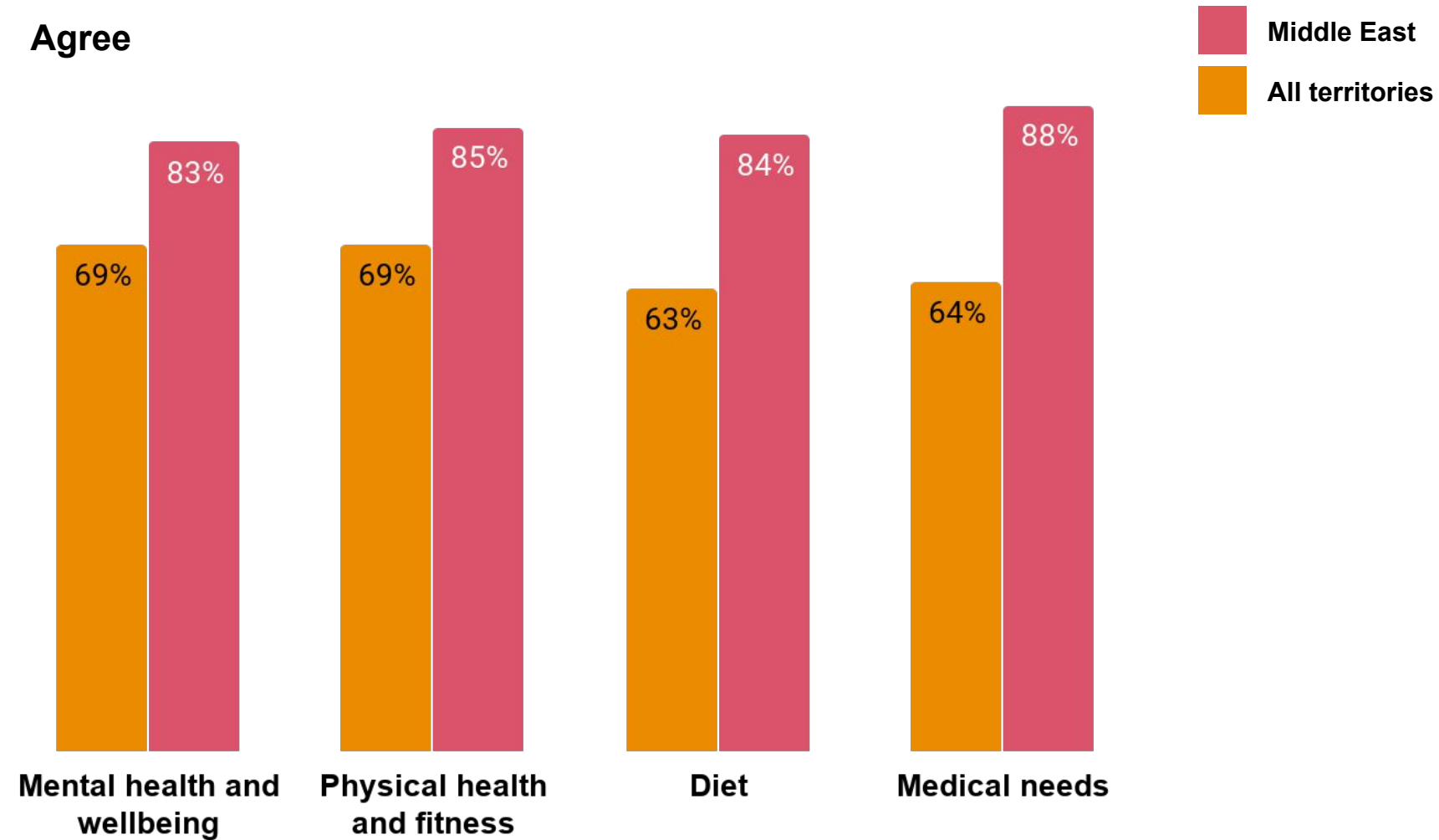
Health and
beauty products

41%

35%

As a result of COVID-19, I am more focused on taking care of my...

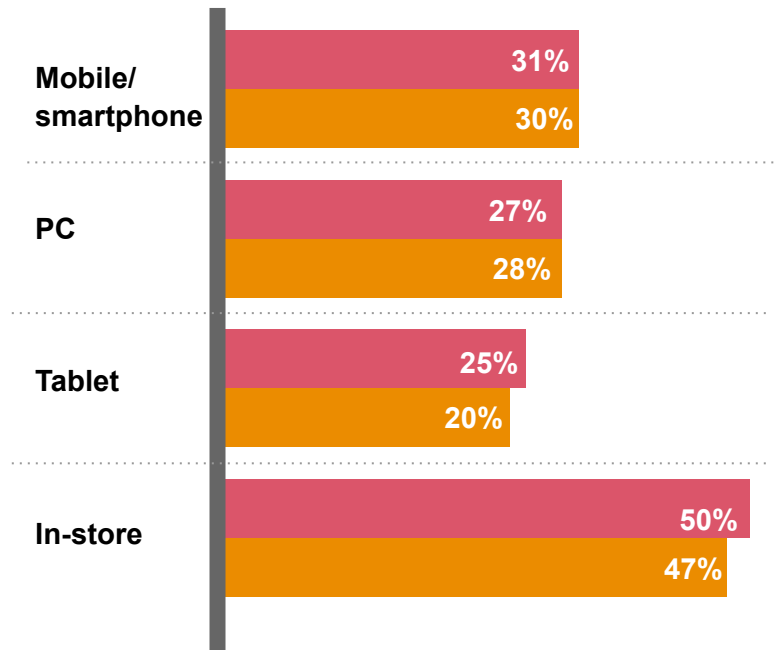
Agree



Mobile is the channel of choice for Middle East consumers

How often do you buy products (e.g. clothes, books, electronics) using the following shopping channels?

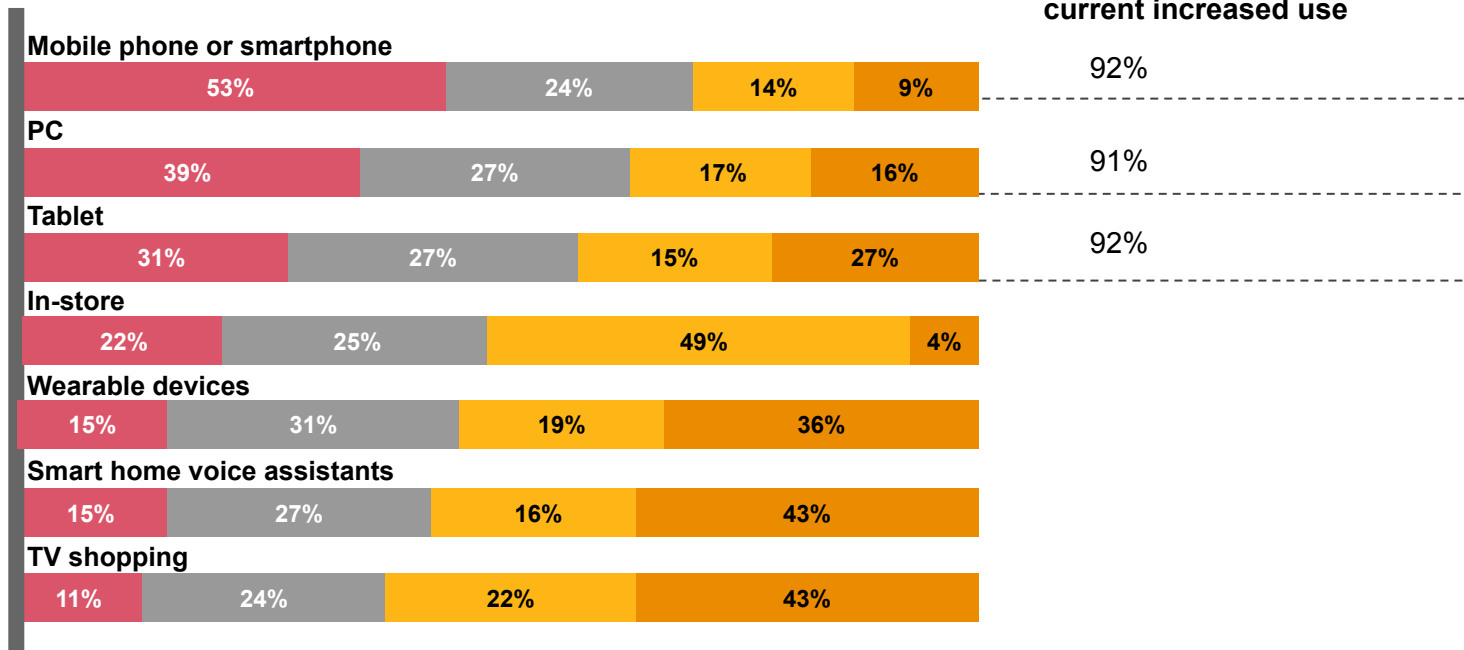
Before COVID-19



■ Middle East
 ■ All territories

How has your use of the following shopping channels changed, if at all?

After COVID-19 outbreak



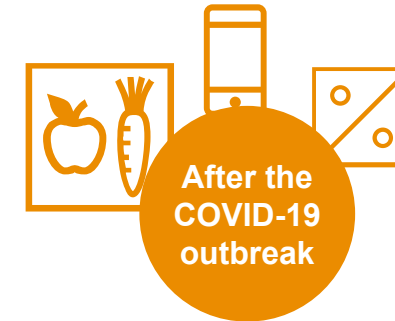
■ Increased
 ■ Stayed the same
 ■ Decreased
 ■ Do not shop using this method

Online grocery shopping wins more converts in lockdown



27%

of Middle East consumers shopped for groceries exclusively or mainly online



51%

are mainly shopping for groceries online/by phone during the pandemic

37%

are shopping less often for groceries

92%

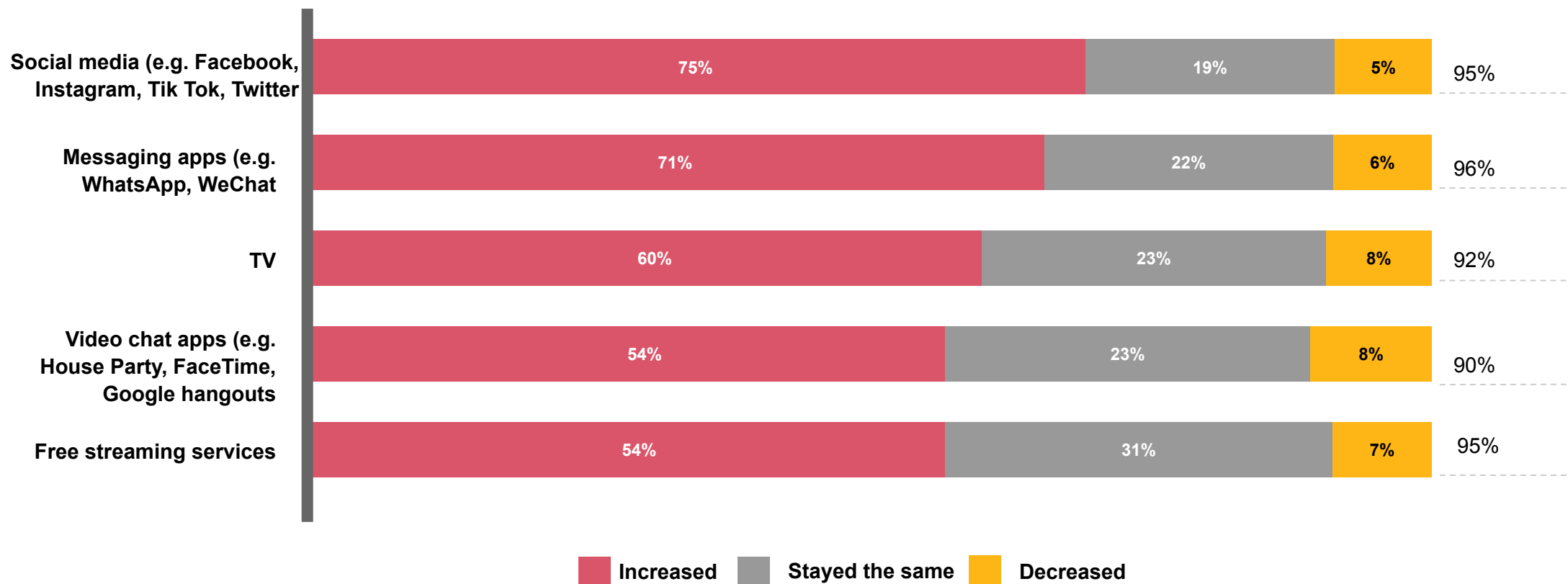
are likely to continue to shop online/by phone when social distancing measures are removed

Social media's influence grows

Middle East

How has your household consumption of the following media changed, if at all, since social distancing/social isolation measures have been in place?

Likely to maintain current increased use



Post COVID-19, we will see acceleration of some of the existing retail sector trends as well as new ones



Digital solutions



Category shifts



Low-contact commerce



Brands with purpose



“Local” destinations

To rebound faster and drive longer term profitable growth, retail companies should drive strategic value



Stay close to your customers



Build operational resilience



Embrace digital



Get commercially fit fast



How global businesses are aspiring
to return to work - *a Salesforce
perspective*

Craig Walker





Craig Walker

SVP, Strategic Customer Advisor



Joined Salesforce 2020

Salesforce Role

Craig Walker works as a SVP, Strategic Customer Advisor in the Office of CEO. He brings passion for business, diversity, people, delivering value from technology and customer success. He has unique experiences and key skills and competencies to accelerate our path forward across all industries.

Career Highlights

Craig joined from Shell where he has 32 years of O&G experience with key assignments in all regions, in both the Upstream and Downstream. As a Global CIO of one of our largest customers, he has deep understanding of the challenges that face a modern CIO. At Shell, he was responsible for the Salesforce executive relationship. He trailblazed the setup of a global internal Salesforce Centre of Competence with 200+ people to drive the adoption and phenomenal growth of Salesforce solutions within all areas of Shell's businesses, while significantly reduced IT operating costs.

Craig spent the last 15 years as a global CIO transforming the trading, supply, and Downstream businesses (trading and supply, shipping, manufacturing, chemicals, B2B, and B2C). Craig also served for 6 years as an Associate Partner in KPMG Consulting.



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Industry Experience

O&G, trading, supply, shipping, logistics, manufacturing, B2B and B2C, as well as time in FMCG, aerospace and start-ups.

Education

BSc. Hons Chemical Engineering

Personal

Craig lives in central London with his wife Cynthia, a luxury goods entrepreneur, whom he married in 2016; gaining another two daughters and a son. His interests are wide and varied; top of the list are sports, science, music and travel. He and his wife love living in London, where they spend their weekends enjoying playing tennis, attending the theatre, and joining friends for evenings of great food and wine.



Today's Content

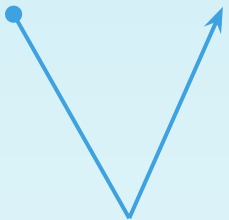
- How businesses are looking to return to work
- Success in the New world
- Enabling business transformation
- Core Values

There is enormous economic uncertainty



Pace of economic recovery may span 18 months to 3 years, with several possible trajectories

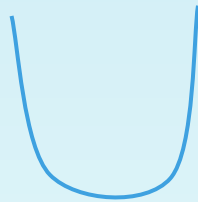
1 | V-shaped



A V-shaped recovery with a possible short lived boom driven by huge stimulus needed for a hard stop to the pandemic

Would be a surprise

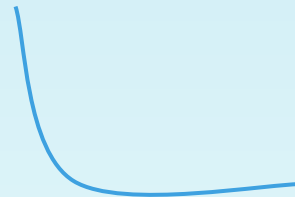
2 | U-shaped



A U-shaped recovery based on a longer crisis driven by a more modest response to the pandemic

Increasingly likely

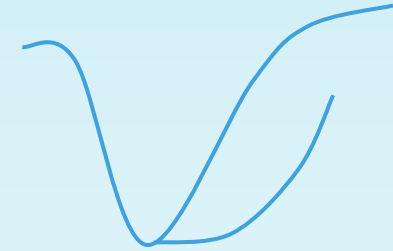
3 | L-shaped



An L-shaped non-recovery of a decay into depression driven by failed responses to the pandemic and economic crisis

Deep and long depression

4 | Y-shaped



A Y-shaped recovery is a combination of U & L-shaped recoveries—in this (likely) case, the economy divides into two tracks: slow and fast sectors

Both fast and slow recoveries



Getting back to the New Normal

Most executives are looking at three phases



1

Stabilize

Mitigate short-term risks
and stabilize operations



Execute robust, **in-crisis response**
to protect and run
the business during lockdown



**CRISIS
COMMAND CENTER**

2

Reopen

Plan and orchestrate
return to the workplace



Put in place the planning, logistics,
and communications
to **resume operations** while
protecting employees



**WORKPLACE
COMMAND CENTER**

3

Grow

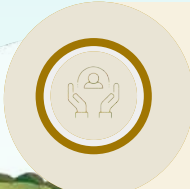
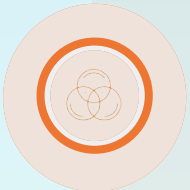
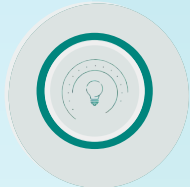
Accelerate change to grow
in the Next Normal



Accelerate digital transformation
to become faster and more relevant
to customers
than before the crisis



**NEXT NORMAL
TRANSFORMATION
OFFICE**



Growing your business

Accelerate change to grow in the Next Normal

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How You Make Decisions

Establish Next Normal Transformation Office

Create Office of transformation; publish CEO-level vision as true north; align leadership

Define the target digital operating model

Build target digital operating model to unify IT and business, with clear digital governance model; unlock value of data; automate for speed

Continuously sense change and respond with agility

Define and enable business performance matrix, including new KPIs for experience; augment gathering of customer and employee feedback



How You Work

Supercharge employee productivity

Leverage growth industry best practices; simplify finding answers; enable citizen developers; automate onerous processes

Enable lifelong learning and development

Enable company-wide skills analysis; simplify learning with tailored online learning journeys; upgrade reskilling and source for diversity

Foster an employee-friendly workplace and culture

Create multiple avenues for employee feedback; enhance focus on community and work environment; evolve wellness resources to serve aging workforce and mental health issues



How you Engage Customers

Redesign business processes to be customer-centric

Audit and redesign business processes to differentiate based on speed and simplicity in serving the customer's "job to be done"

Enable the full power of your company

Enable one team to serve the customer through single source of truth and customer journeys; supercharge partners and suppliers

Innovate at the speed of market change

Sense change rapidly in the market and respond with agility, enabling the business to deploy new digital capabilities at speed



How You Serve Society

Connect doing good to doing well

Measure and report your societal impact, including as part of earnings

Be a platform for change in the world

Orchestrate action, via partnerships, to engage executives and employees around UN SDGs.; spotlight heroes to generate momentum

Triple-down on sustainability for the long term

Appoint a Chief Impact Officer; develop a net zero plan and execute

The New World



Can successful executives make the change?

It is about responding rapidly to the **new expectations**

- of our customers, employees, contractors, suppliers and society.

It is about **changing our culture**, and our ways of working and

- the behaviors we value and reward in this new world.

It is not about **what has made our company successful** in the past,

- it will be how technology enables our new business models in the future.



Transformation in the Oil and Gas Industry

It is all about the data

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1. Building Trust with Employees & Partners



Investing in digital business strategies provides your ecosystem with productivity and transparency

2. Deploying New Business Models



Increasing pressure on carbon emissions are accelerating investment in green technologies and new business models

3. Empowering the Changing Workforce



Digital tools to enhance worker safety and help attract, retain, upskill, and engage the changing workforce

4. Leveraging Emerging Tech to Cut Costs



Operationalize existing IoT investments with analytics and AI to drive smarter interactions and take costs out of the organization

Speed to Value in Shell Downstream IT

Commerciality, OneTeam and Results



Challenges

- Business models are rapidly evolving
- Vertical rather than horizontal views
- Lack of a single view of key data
- Complex, multiple processes and solutions
- Lack of intimacy and speed of development
- Lack of right skills in business and IT

Solutions

- Simplify, Shrink and Sustain the core
- Set out a “Market Standard Unless” policy
- Build internal Centres of Excellence
- Deliver the quick wins to the champions
- Realise the “Power of the Platform”
- Usage-based subscription model to de-risk

Technology is actually the easy part of transformation



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CORE VALUES

TRUST

CUSTOMER SUCCESS

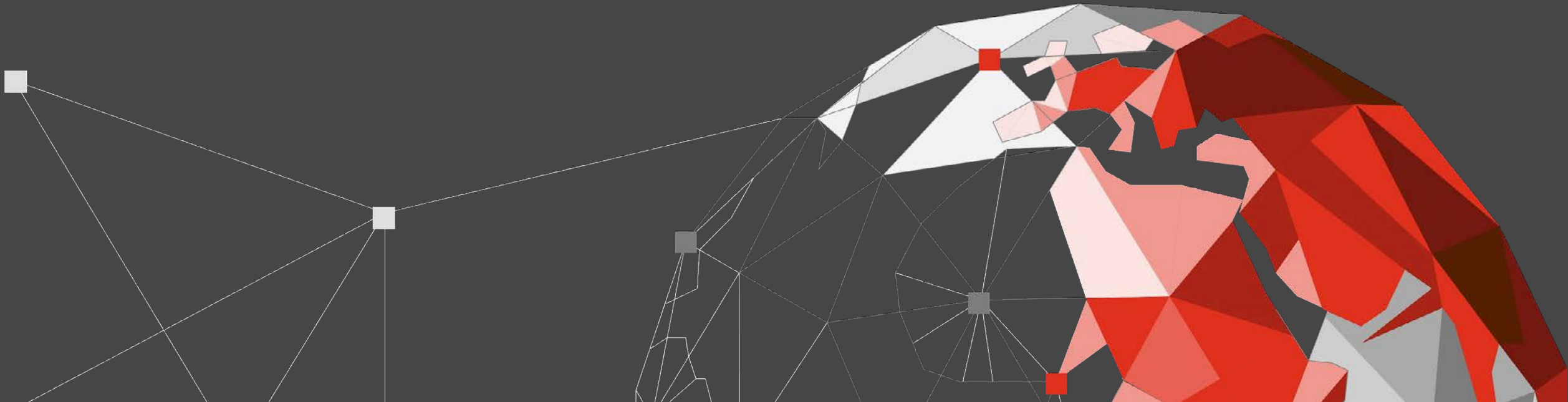
INNOVATION

EQUALITY

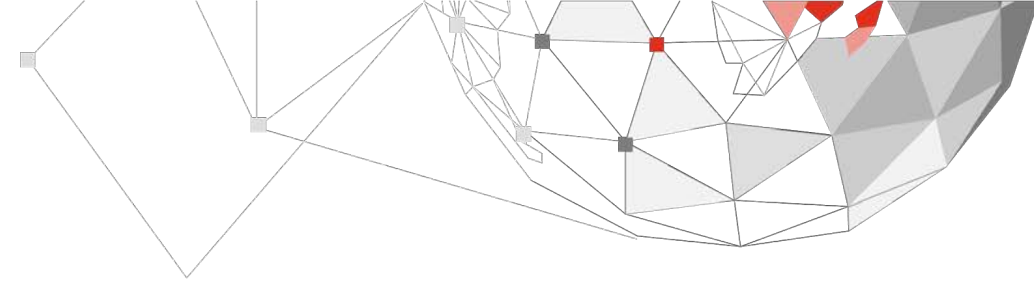


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Q&A



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Craig Walker
SVP, Strategic Customer
Advisor to the office of CEO

Salesforce

Thank you

[pwc.com/me](https://www.pwc.com/me)

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