Matching confidence with competitiveness
2013 Middle East CEO Survey

16th Annual Global CEO Survey 2013

Key findings in the Middle East

pwc

Overview

Middle East CEOs in our 16th Annual Global CEO Survey are more confident about growth prospects compared with their counterparts in the rest of the world. This relative optimism is expressed both in terms of confidence about their own companies' growth and the outlook for wider economic growth.

They are more likely to see opportunities for organic growth in their home markets than CEOs elsewhere in the world but they are also significantly more likely to launch new 'go abroad' strategies. This optimism in part reflects the strengths that arise from the region's natural resource base, as well as the growing maturity of its regional infrastructure and the increasing diversity of its business and economic mix.

Such a growth outlook brings challenges. Middle East CEOs are putting a much stronger emphasis on strengthening their companies' operational effectiveness, including the roll-out of new technology and addressing talent gaps, than their global CEO peers. In addition they are more likely, to be looking to embark new acquisitions, joint ventures and strategic alliances. Some of the findings do point to possible concerns about competitiveness. Middle East CEOs, for example, appear to be putting less emphasis on new product and service development than their global counterparts.

The optimism of CEOs in the region is being translated into expectations of major increases in employment headcount. Over two thirds (69%) expect a significant rise in workforce numbers (5% or more) in the year ahead compared to less than a quarter (23%) of all CEOs in our global survey. Alongside this, Middle East CEOs are more likely than other CEOs to be planning initiatives around ethical behaviour, diversity and inclusion and non-financial reporting.

I would like to thank all who participated in the survey, particularly the CEOs who took the time to sit down with us to share their perspectives on the opportunities and challenges businesses are facing today. Discover more about the project, including the full global report and reports from other regions, at www.pwc.com/ceosurvey.

Sincerely,
Warwick Hunt
Middle East Managing Partner
PwC

Middle East CEO Agenda for 2013

Based on what we heard in the *16th Annual Global CEO Survey*, these are some of the questions Middle East CEOs will be asking themselves and their management teams as they pursue growth in the year ahead. PwC surveyed 32 business leaders in eight Middle East countries. We've grouped their responses into the following issues.

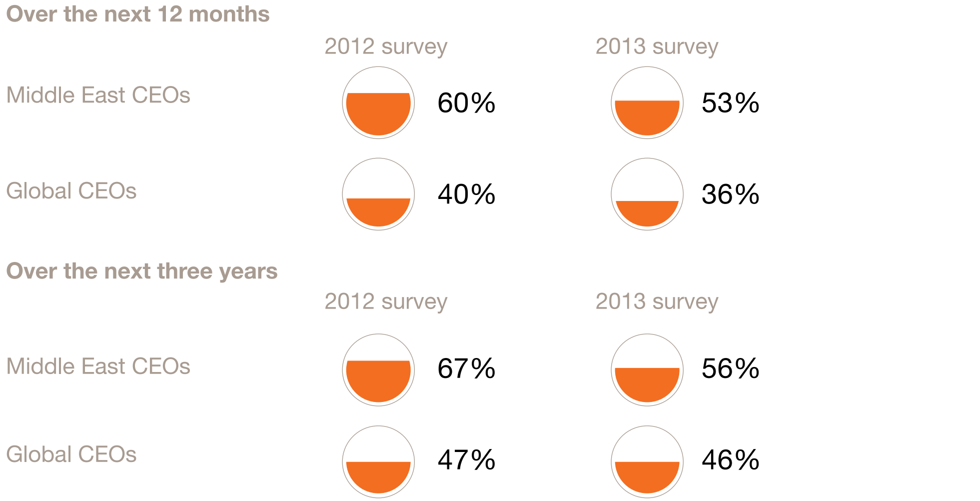
Growth	Are we focusing enough on innovation and competitiveness as we enter new markets and competition gets fiercer in home markets?	**4**
'Go abroad' strategies	How can we best take advantage of 'south-south' opportunities?	**6**
Deals and strategic alliances	Do we have the target identification and valuation strategies to strike the right deals and develop the best alliances?	**7**
Risks	Do we have good business continuity strategies in place to manage existing and newly emergent risks?	**9**
Operational effectiveness	What are the most important transformations in operations that our company needs?	**13**
Customer focus	How can we more effectively put customers at the heart of our growth initiatives?	**15**
Workforce and skills	How can we increase local talent capacity without adding to costs and eroding competitiveness?	**17**
Wider social engagement	In an era of change and transparency how can we best step up our social engagement strategies?	**19**
Cybersecurity	How can we minimise the threat of cyberattacks?	**21**

Growth

Are we focusing enough on innovation and competitiveness as we enter new markets and competition gets fiercer in home markets?

Figure 1: Middle East CEOs confidence falls year on year but remains head and shoulders above global CEOs confidence

Percentage of CEOs stating they are 'very confident' about their companies' revenue growth prospects…



Middle Eastern CEOs are in a more confident growth mood than their counterparts in any other region of the world. Overall, 88% of Middle East CEOs are confident about prospects for their companies' revenue growth in the next 12 months compared with 81% in the global survey.

It is the depth of confidence that really sets Middle East CEOs apart – 53% report they are 'very confident' versus just 36% worldwide. Only CEOs in Africa come close to rivalling the region's optimism.

In common with the global trend, confidence among CEOs in the region is down compared with last year's survey (see figure 1).

While factors such as oil price strength and good levels of liquidity in some parts of the regional economy are helping keep confidence levels high compared to other parts of the world, the impact of continued global economic uncertainty and events within the region are chipping away at confidence.

78% of Middle East CEOs expect the global economy to 'stay the same' or 'improve' in the next 12 months compared to 70% of global survey CEOs.

Two goals head the growth agenda in 2013 for many Middle East CEOs: capturing more share in existing domestic markets through organic growth, and developing new operations in foreign markets (see figure 2).

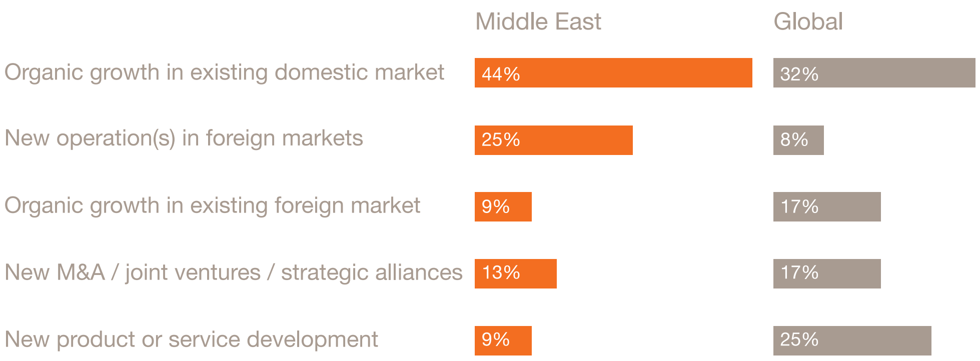
Many more CEOs from the region identified these growth strategies compared to CEOs in the global survey. But, the successful delivery of these goals will increasingly rely on being able to gain a competitive edge in the marketplace, as well as becoming more diverse and broad-based. Domestic markets present a more open and competitive environment now than in the past.

Innovation, product development and service transformation will all be important competitive differentiators. It is notable that, whereas one in four CEOs globally see new product or service developments as their main route to growth, less than one in ten Middle Eastern CEOs are putting the same emphasis on such innovation.

Middle Eastern companies will need to make sure they do not face a competitive deficit by neglecting this aspect of strategy.

Figure 2: Middle East companies see domestic organic growth as primary growth driver in 2013

What do you see as the main opportunity to grow your business in the next 12 months?



Growth in the region is likely to become more 'innovation-dependent' in the years ahead, partly as a result of economies being more open, and partly because a 'new cycle' of technology innovation seems to have the potential for transformative change. This 'new cycle' includes a broad range, next generation technologies such as mobile broadband and social media, and greater external connectivity with the rest of the world[1].

Middle East CEOs are much less likely to be exploring new product or service development opportunities – only 9% chose this route to growth versus 25% of global survey CEOs.

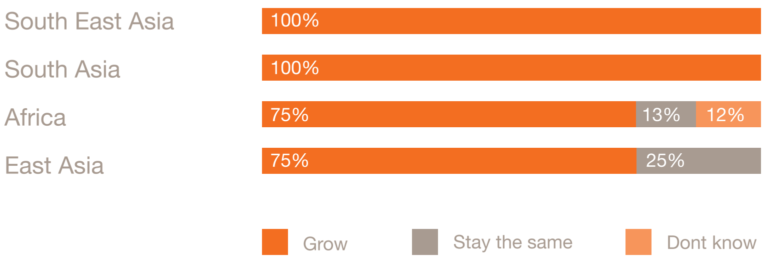
[1] *See 'On the Fast Track: a new cycle of innovation in the Middle East', PwC, 2013.*

‘Go abroad’ strategies

How can we best take advantage of ‹south-south› opportunities?

Figure 3: ‘Go abroad’ strategies are firmly focused on Africa and Asia

Expectations for African and Asian operations of Middle East companies in the next 12 months.



As many as a quarter of the Middle East CEOs appear to have their sights set on ‘south-south’ expansion opportunities.

Many Middle East CEOs are positioning their companies to take advantage of the emerging market opportunity that exists in Africa and Asia. The scale of trade and financial flows between these regions and the Middle East is substantial and is poised to expand significantly in the period ahead.

Indeed, as many as a quarter of the Middle East CEOs appear to have their sights set on this ‘south-south’ opportunity (so-called because it bypasses the west, at least in physical terms) as their main route to growth in the period ahead.

As we have seen (figure 2), one in four Middle East CEOs see new operations in foreign markets as their main growth driver in 2013. Africa and Asia are already playing a lead role.

The two continents head the list of places outside the region where Middle East companies are locating ‘key operations’, involving major sources of revenue, production facilities or employment concentrations.

A quarter of the Middle East CEOs that we interviewed have existing ‘key operations’ in Africa and one in eight have them in East Asia or South East Asia. In contrast, only 6% reported such operations in Western Europe and 3% in North America. All of the Middle East CEOs with an existing presence in Asia expect to grow this in the next year and three-quarters of those already in Africa expect to do the same (figure 3).

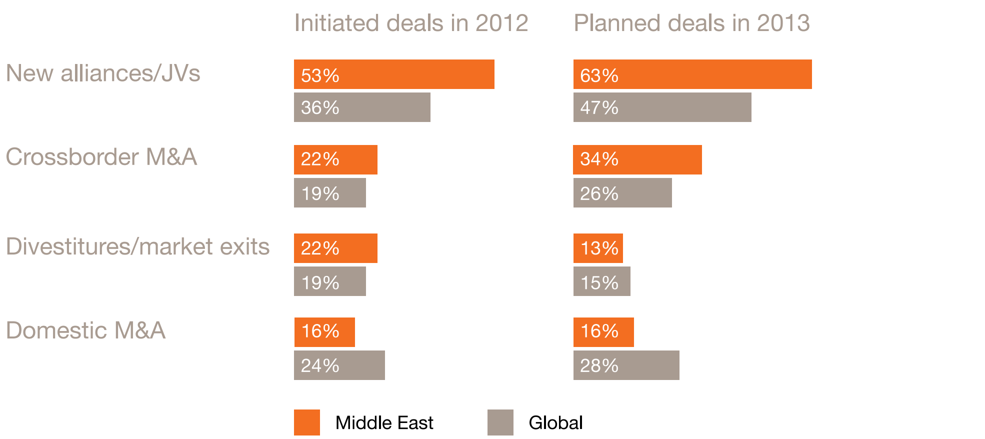
CEOs may feel that the Middle East’s location, at the nexus of the three continents of Africa, Asia and Europe, gives them an advantage in exploring growth opportunities in these neighbouring regions. But success in these markets, as in other foreign markets, will hinge on competitive advantage and not neighbourly goodwill,and Middle East CEOs are most likely to face significant competition. Nearly 80% of Western European CEOs and 70% of Asia Pacific CEOs with existing operations in Africa are seeking to expand their presence in the continent.

Deals and strategic alliances

Do we have the target identification and valuation strategies to strike the right deals and develop the best alliances?

Figure 4: International M&A and strategic alliances high on the 2013 agenda for Middle East CEOs

Which, if any, of the following restructuring activities have you initiated in the past 12 months? Plan to initiate in the coming 12 months?



Strategic alliances, joint ventures and international M&A are rising up the Middle East CEO agenda. Nearly two thirds (63%) report that they plan to embark on a new alliance or JV in 2013, up from the 53% who say that they were involved in such a move in 2012. A third are planning crossborder M&A activity, again a significant increase from those who reported such activity in the previous year (figure 4).

Middle East CEOs are showing much greater deals intent than their global peers. They are around a third more likely to planning M&A or a strategic alliance.

Indeed, 38% of Middle East CEOs in our survey count such moves as among the top investment priorities for their companies in the coming 12 months.

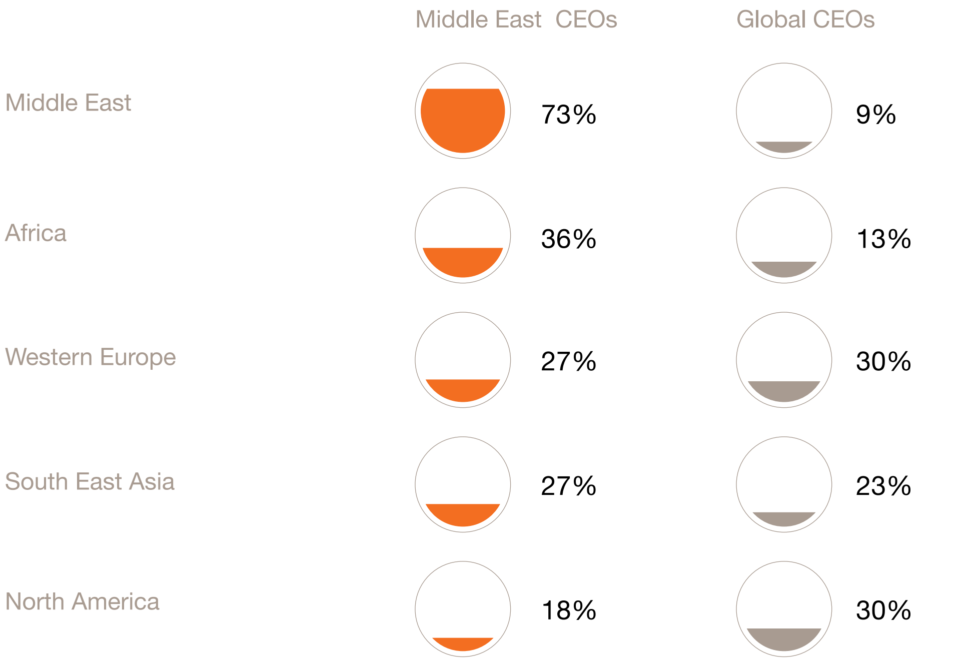
Middle East CEOs are also more likely to be keeping their deal strategies under review during the year. Nearly three-quarters (72%) report that they expect to make some or major changes within their companies to M&A, JV or strategic alliance in the coming year compared to 61% of CEOs in our global survey. But rather fewer of these expect to make major changes – 13% versus 22% of CEOs worldwide.

Expansion within the Middle East region is the primary focus for international M&A and alliances with companies seeking to strengthen their pan-regional presence. Also, the influence of the 'south-south' strategies discussed in the previous section is significantly strong.

Middle East buyers and negotiators look set to have a high profile in Africa – over a third (36%) of Middle East CEOs say they are planning deals in that continent, more than CEOs in any other region outside of Africa. Their principal competition is from buyers within Africa – 88% of African CEOs report deal plans for targets in the continent. But they also face significant rivalry from European companies – 14% of Western European CEOs say they have imminent African deal plans.

Figure 5: Africa heads the target list for expansion outside the region

In which regions are you planning to carry out an M&A, joint venture or strategic alliance?



Middle East CEOs are around a third more likely to to be planning M&A or a strategic alliance than their global peers.

Risks

Do we have good business resilience strategies in place to manage existing and newly emergent risks?

The risk of disruption arising from social unrest is a major concern.

During the past decade, economic volatility and disruption in the world has escalated to arguably unprecedented levels. Many companies in the Middle East region are used to living alongside risk and this has possibly equipped them well to manage levels of uncertainty that their global counterparts are not so used to.

But instability in the region is often overplayed. While there are social conflicts, political transitions and policy reforms of immense significance being played out in many territories, other parts of the region are little affected.

Nonetheless, and unsurprisingly, concerns about social conflicts top the list of issues on the Middle East CEO risk radar. Four out of ten CEOs (41%) in the region say that major social unrest in the country in which they are based is likely to occur. This is more than CEOs in other regions with the exception of Africa. In contrast, only 17% of CEOs worldwide identify such a risk as likely.

The continuing high level of such risk will make companies alert to the need to continually evaluate the readiness of their business resilience strategies to protect their activities in the event of disruption to operations or markets.

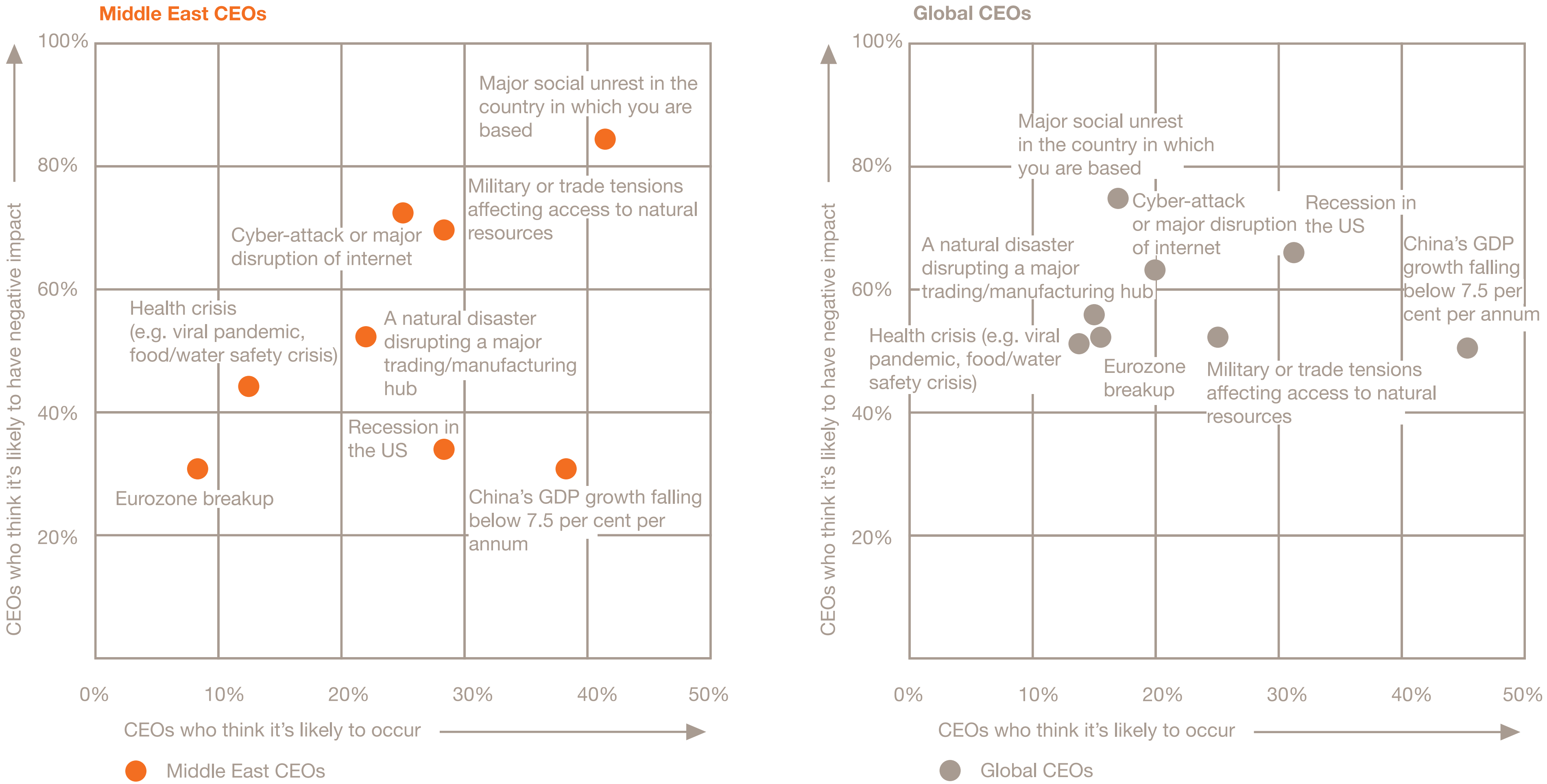
Scenario testing offers one example of concrete measures some business leaders are taking to better understand where their companies' vulnerabilities lie. Perhaps because of the immediacy of change taking place in the region, Middle East CEOs are more relaxed about wider economic and financial risks including the risk of Chinese growth faltering further, eurozone breakup and US recession. For all three of these scenarios, Middle East CEOs are in general less concerned than their global peers.

In contrast, non-economic risks, including natural disaster risk, military or trade tensions and breaches of cybersecurity are slightly higher on the Middle East CEO risk radar than that of their global counterparts. Of these cyberattack is one of the widest concerns CEOs in the region have in terms of its potential negative impact. We take a closer look at this issue later in the report.

While looking at major disruptions, we also asked CEOs about a list of other possible concerns which could pose a risk to their business. The two concerns that stood out were worries about over-regulation, largely shared by their global peers, and the difficulties posed by skills shortages, which was also a global CEO concern but not to the same extent as in the Middle East. We look at the skills challenge that the companies in the region are facing later in this report.

Figure 6: Middle East CEOs on risk alert

How likely are the following scenarios to occur? And what would be the impact on your organisation if they happened in the next 12 months?

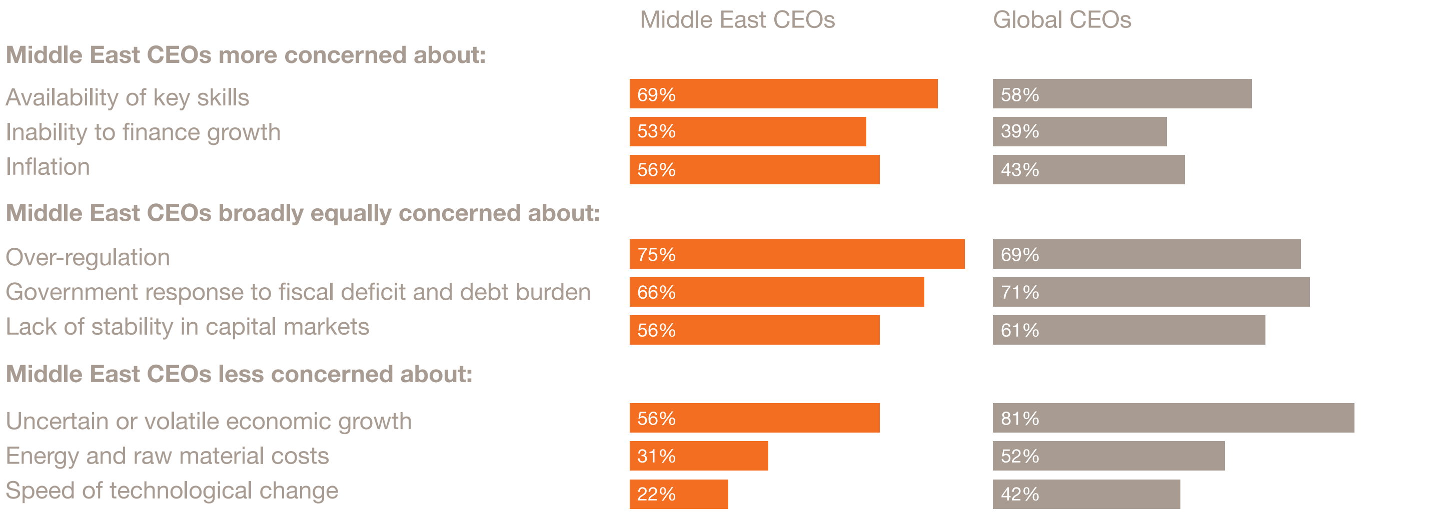


The degree of concern about over-regulation is perhaps a surprise as many would feel the region is relatively lightly regulated compared to many other markets. On the other hand, in a context where regulation is new and emerging, companies will be adjusting their expectations. Also, as companies increasingly develop a pan-regional and wider international presence, they will be encountering differences and inconsistencies in regulation between different territories that can inhibit international operations and trade flows.

A significant proportion of Middle East CEOs (53%) express concern about inability to finance growth. This reflects the fact that, while there are few funding issues faced by national oil companies or other entities linked to sovereign status, the private sector faces a much tighter funding climate. Local debt markets beyond the sovereigns are fairly thin and many traditional European sources have reined back their financing because of constraints in Europe while other sources, such as from the Far East, have not necessarily filled the gap.

Figure 7: Over-regulation weighs heavily among Middle East CEO concerns

Middle East versus global contrasts – percentage of CEOs expressing concern.



Middle East CEOs are more relaxed about wider economic and financial risks than CEOs elsewhere in the world.

Perspective: Managing risk and delivering growth in uncertain times

Carl Sheldon
CEO, TAQA

Abu Dhabi headquartered TAQA is a global energy company, with a footprint that now spans four continents. Its growth is a prime example of the 'go abroad' strategies being pursued by many companies in the region.

CEO Carl Sheldon says: "We're a young company - just seven years old - and most of our growth has been through acquisition. We now operate scale businesses in 11 countries."

Where does he see future growth coming from? "We've got a lot of opportunity in our home region - the Middle East and North Africa - and that's where we intend to focus our efforts."

TAQA expects to invest about US$2bn a year between 2010 and 2014. Some of this ambitious capital spending programme will also be invested further afield: "We're working to build out our portfolio and that will include additional drilling in our oil and gas properties in Western Canada and in the UK; developing a large gas storage project in the Netherlands; and two power plant expansions - one in Morocco and one in Ghana. We've also had two new plants delivered here in Abu Dhabi: Shuweihat II and Fujairah II. We've made a small investment in Iraq, which we see as a potential growth market; and we're also looking to build a business in Turkey," says Sheldon.

Regulatory risk is a key factor in the energy business. Sheldon observes: "In turbulent times, a company making long-term investments can't always be sure that the regulatory regime won't change or that the government won't intervene in the marketplace. So, in our business, we have to be careful to form lasting relationships with our host governments."

Sheldon points out that "In times of political upheaval, the risk matrix becomes even more difficult to manage." But he also emphasises that the risk radar needs to encompass all territories. "It's important to recognise that regulatory risk is not confined to emerging markets. The single biggest setback to befall us in 2011 was the rise in the UK corporation tax rate for oil and gas companies. That cost us more than US$100 million of net income. And in terms of market risks, we've seen, for example, large dislocations in North America in the price of gas compared to the price of oil."

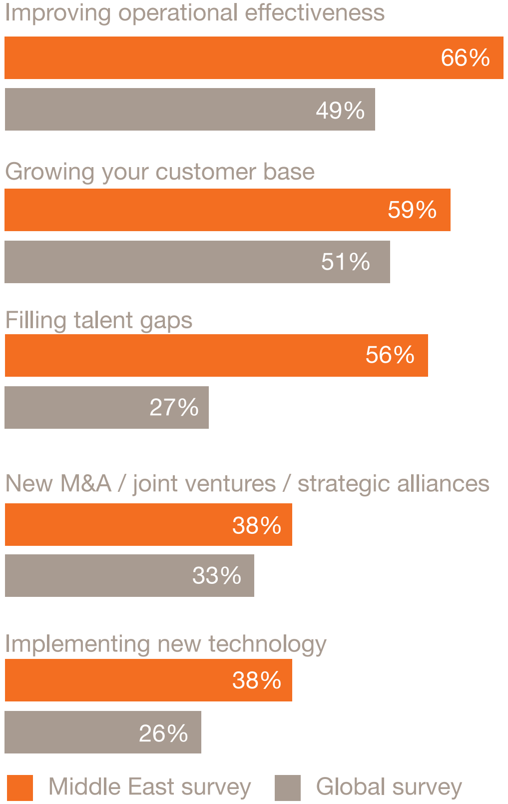
How does the company equip itself for disruptive events? "One of the virtues of our various business units is that they are at scale and at distance from one another. So to some extent, they stand alone. It's quite difficult for me to think of a single event that could disrupt all our businesses at once. Nevertheless, we build redundancy into our systems in the event of accidents, disasters or political unrest. That's just part and parcel of planning and risk management."

Operational effectiveness

What are the most important transformations in operations that our company needs?

Figure 8: Improved operational effectiveness is a top priority

What are your top three investment priorities over the next 12 months?



CEOs are balancing efficiency with agility. As they seek to grow revenues and widen their market footprint, they are also conscious of the need to manage the cost base and deliver internal efficiency. They're trying to cut costs without cutting value or leaving their organisations exposed. Improving operational effectiveness tops the list of investment priorities identified by Middle East CEOs for 2013 (figure 8).

Cost reduction is high on the agenda: 75% of CEOs from the region have undertaken cost-saving initiatives in the past 12 months and 78% plan to do so in the next 12 months. No sector is immune and the pressure for improved efficiency is coming from stakeholders as well as the market.

Energy companies, for example, are mindful of the role their profitability plays in national revenues and the potential impact of escalating public spending programmes on future calls for funds.

Outsourcing has been a much-used route to reducing internal costs and 44% of Middle East CEOs carried out some outsourcing in the last twelve months. But only 25% plan to outsource any activities in 2013. Indeed, our CEO responses indicate that nearly as many Middle East CEOs are planning to insource a business process or function as those who are planning to outsource this year. Having direct control of activities may be a way of having greater resilience in the event of disruption. It also may give companies greater critical mass as they pursue their growth strategies.

Supply chain resilience is also an important concern for CEOs. Many companies discovered in the aftermath of the tsunamis in Southeast Asia and Japan that the quest to maximise the efficiency of their supply chains had severely impaired their ability to cope with disruption.

Today's CEOs have clearly learned from that experience. Two thirds (66%) of Middle East CEOs are diversifying their supply chains and working with suppliers in a wider range of territories, compared to 50% of CEOs in the global survey.

Figure 9: Middle East CEOs remain focused on cost-reduction

Which, if any, of the following restructuring activities have you initiated in the past 12 months? Plan to initiate in the coming 12 months?

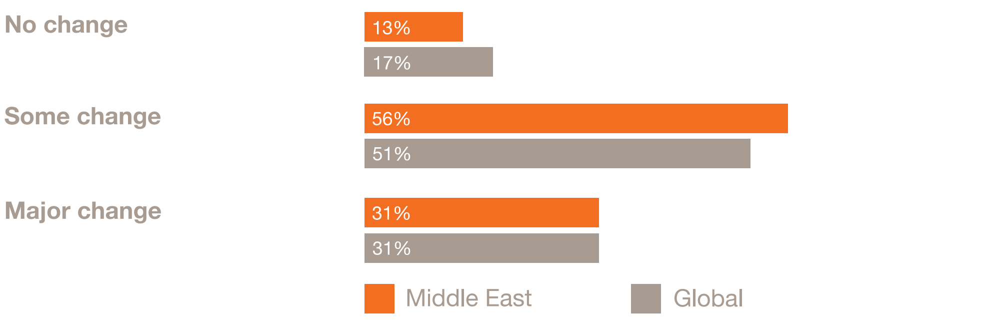
	Initiated in 2012	Planned in 2013
Cost reduction initiatives	75%	78%
Outsource business processes or functions	44%	25%
"Insource" a previously outsourced business process or function	25%	22%

Nearly as many activities are returning in-house as are planned to be outsourced this year.

Customer focus

How can we more effectively put customers at the heart of our growth initiatives?

Figure 10: Strong focus on change in customer growth, retention and loyalty strategies



Irrespective of the markets they're in, CEOs have one overwhelming goal: to grow their customer base. 51% of CEOs worldwide say its one of the top three investment priorities for the coming year and even more (59%) of Middle East CEOs include it in their top three list. So it's no wonder that new strategies to stimulate demand and foster customer loyalty play a big part in CEOs' plans for the next 12 months. A full 88% anticipate making changes to this score – and 31% have major changes in mind (see Figure 10).

As we saw in the section on 'go abroad' strategies, Middle East companies are in a pivotal position to capitalise on fast growth consumer markets, both in their own and in neighbouring regions. But these are markets that competitors from mature western markets are also focusing on as growth in their traditional markets slows. Between 2000 and 2011, consumer spending in the mature markets increased by just 2.1% a year. In the growth markets, by contrast, it increased by a much healthier 5.7% [2].

[2] *PwC, 'Introducing the PwC Global Consumer Index' (October 2012), http://press.pwc.com/GLOBAL/global-consumer-spending-slowdown-eases.-pwc-releases-first-ever-global-consumer-indexgci/s/bc11166a-cd72-4ea7-93fa-c167d10a5cb5*

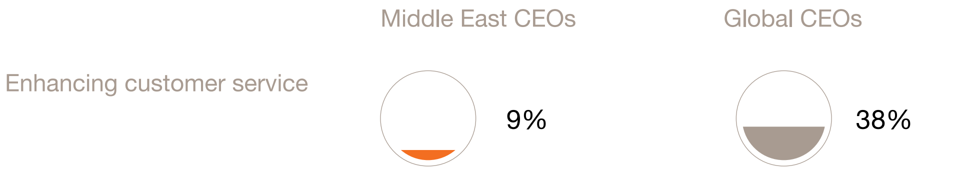
Somewhat surprisingly, Middle East CEOs do not appear to be putting the same emphasis on customer service as their global peers. Less than one in ten (9%) include enhancements in customer service in their top three investment priorities for the next 12 months compared with 38% of CEOs in the global survey.

It's not because they are in businesses where competition for the customer is not so relevant – they are drawn from a wide range of sectors.

Could this signal a possible alarm bell for Middle East CEOs? The lack of focus on customer service echoes an earlier finding that Middle East CEOs are much less likely to be exploring new product or service development opportunities than their global peers (see page 2). There is a danger that customer retention and growth strategies may be too focused on 'more of the same' rather than innovation and service enhancement that are necessary to stay ahead of the pack in competitive marketplaces.

Figure 11: Are Middle East CEOs neglecting customer service?

What are your top three investment priorities over the next 12 months?



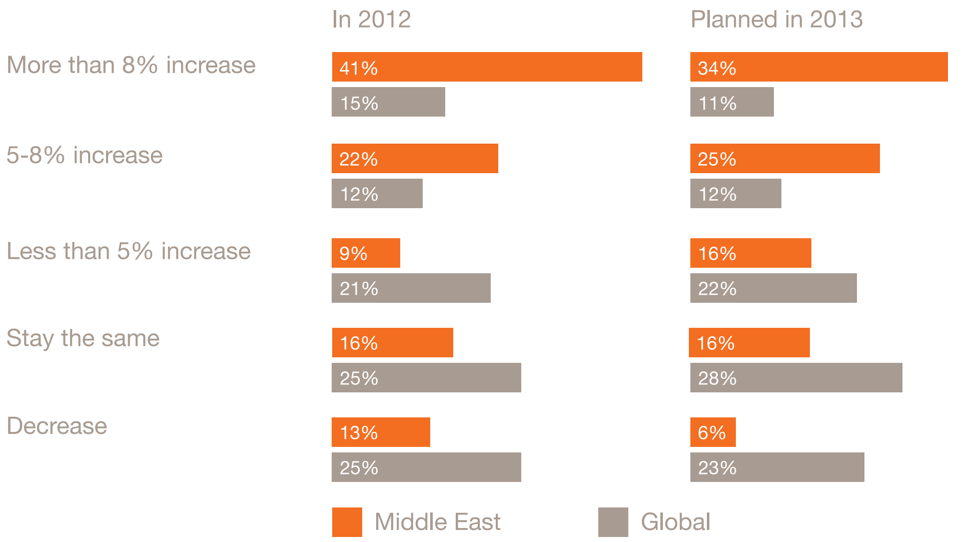
Are customer retention and growth strategies too focused on 'more of the same' rather than innovation and service enhancement?

Workforce and skills

How can we increase local talent capacity without adding to costs and eroding competitiveness?

Figure 12: Middle East CEOs planning strong workforce growth

What's happening to the workforce in your company globally?

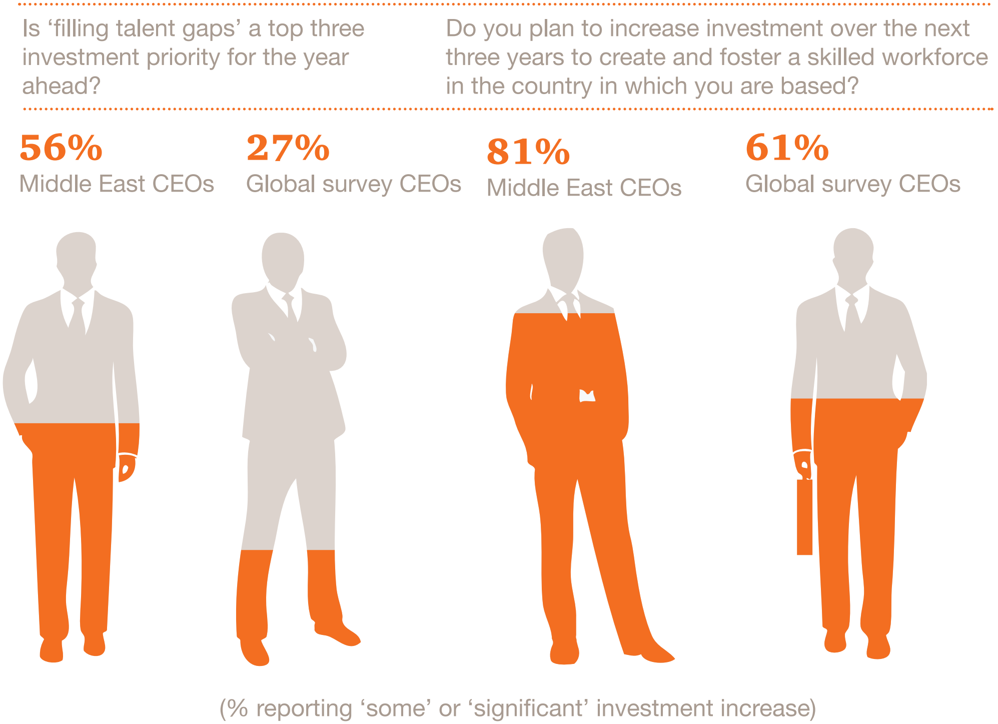


Workforce growth reported by Middle East CEOs is running far ahead of the global trend and is set to continue to do so in 2013 (figure 12). Nearly two thirds (63%) of Middle East CEOs reported workforce growth of 5% or more in 2012 compared to just 27% of CEOs in the global survey. And the pace of growth is only set to slow slightly in 2013 – with 59% expecting the same level of growth compared to 23% globally.

Talent availability remains a significant concern. In an age where companies are increasingly differentiated by the talent they can deploy, it is a concern for CEOs everywhere. But it is a particular issue for Middle East CEOs. More than two thirds (69%) point to the availability of key skills as a potential threat to growth in 2013 compared to 58% in the global survey. This 69% includes 31% who are 'extremely concerned'.

More than two thirds say availability of key skills is a potential threat to growth in 2013.

Figure 13: Middle East CEOs ready to invest in home grown talent



81% of CEOs in the region are planning investments to grow their home market skill base.

With talent widely recognised as central to powering growth, more CEOs are taking action. Over half (56%)of Middle East CEOs count investment in filling talent gaps among their top three investment priorities compared to just 27% of CEOs in the global survey (figure 13). In fact, 88% of CEOs in the region expect to change their talent management strategies, including 38% prepared to make major changes in the coming year.

Much of their resource commitment is focused on addressing talent shortages within the region. 81% of Middle East CEOs are planning to invest in creating and fostering a skilled workforce in their home country. At the same time, they don't expect to do it alone: 53% said building a skilled workforce should be a top government priority.

The focus on utilising home-grown skills is an important one for countries throughout the region. Most have programmes in place for increasing employment of nationals, including quotas, training and placement services, as well as subsidies and other incentives. But these are having limited impact. For example, between 2000 and 2010 economic growth in the Gulf Cooperation Council countries created approximately seven million new jobs but fewer than two million of these went to nationals [3].

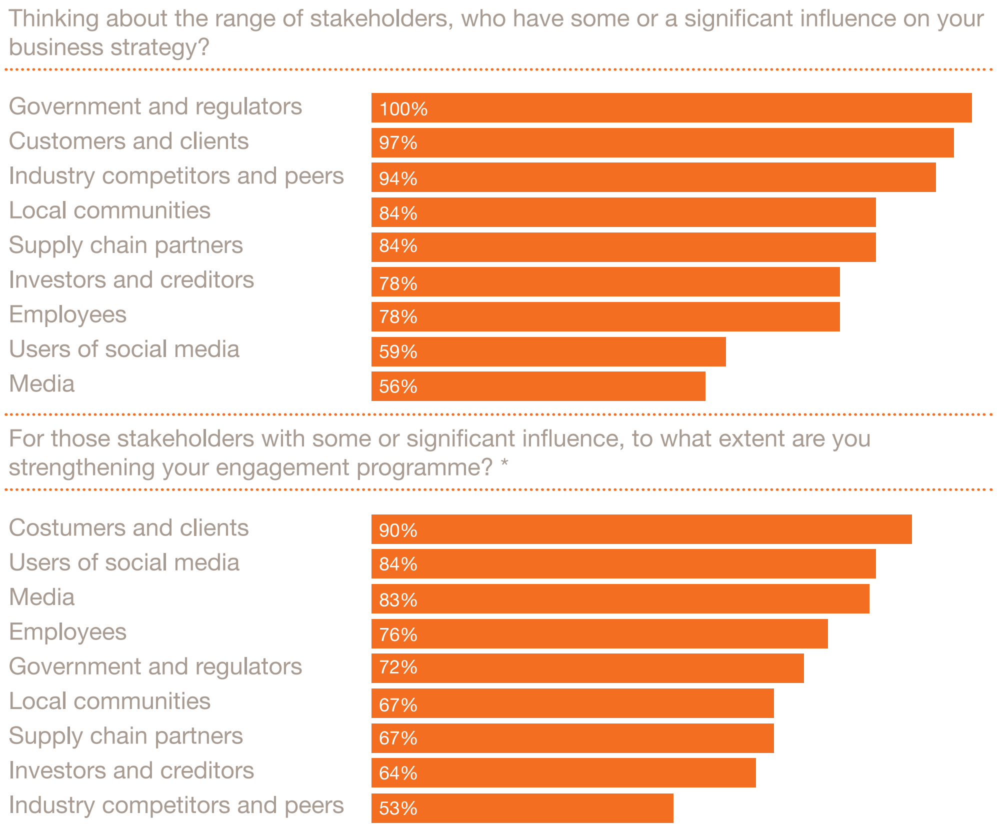
The results from the CEO survey show that CEOs recognise the need to address this issue. But the concern for CEOs and their companies is a frequent mismatch between the skills that companies are looking for and those available in local labour markets. There is also sometimes a wage expectation mismatch. A recent International Monetary Fund study concluded that "the challenge is to promote the employment of nationals without imposing undue costs of doing business that would erode competitiveness and potentially reduce growth [4]".

[3] *International Monetary Fund, Gulf Cooperation Council Countries Enhancing Economic Outcomes in an Uncertain Global Economy, 2011.*
[4] *ibid*

Wider social engagement

In an era of change and transparency how can we best step up our social strategies?

Figure 14: Companies are stepping up their engagement strategies



* % reporting some or major strengthening

Middle East CEOs are placing a strong emphasis on wider social engagement. At a time of change in the region, companies are seeking to strengthen their relationships not just with traditional and business stakeholders, such as national governments, customers and supply chain partners, but also with the media and local communities, through tools such as social media (figure 14).

Companies are recognising not only the need for increasing transparency but also the way in which, with today's modern media and social media, it pays to be proactive. Increasingly sophisticated investors, regulators and customers reward greater transparency. Opting out of media and public engagement, including the increasing use of social media, is no longer a viable option. Customers, competitors and employees are all participants in a global flow of information about a company's brand and industry.

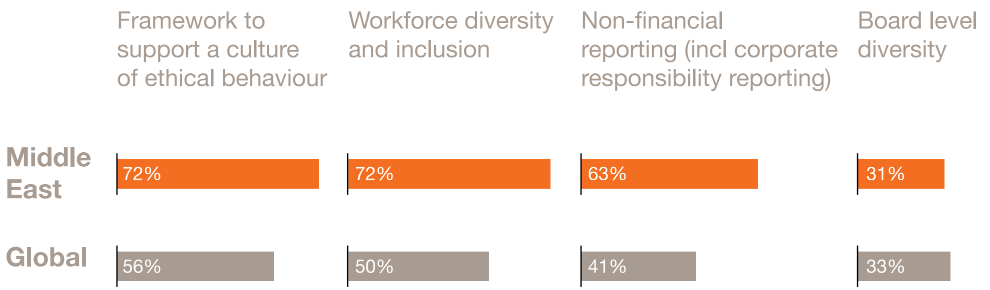
But, although customers are high on company engagement priorities, we saw earlier in this report that this is not matched by any particular emphasis being given to customer service (figure 11) or innovation and new product design (figure 2). It would appear that companies are not closing the loop between engagement and innovation. They run the risk of not exploring the full potential of customer engagement by translating it into product and service enhancement.

Companies are realising that, with today's modern media and social media, it pays to be pro-active.

CEOs in the region are more likely than other CEOs to be planning initiatives around ethical behaviour, diversity and inclusion and non-financial reporting (figure 15). Nearly three-quarters (72%) of Middle East CEOs plan to increase their companies' focus on a framework to support a culture of ethical behaviour compared to 56% of CEOs in the global survey. There was a similar emphasis among Middle East CEOs on workforce diversity and inclusion although, like their global peers, only around a third are focusing on boardroom diversity.

Figure 15: Many CEOs report a focus on ethics, diversity and inclusion

To what extent your organisation plans to focus on the following over the next 12 months?



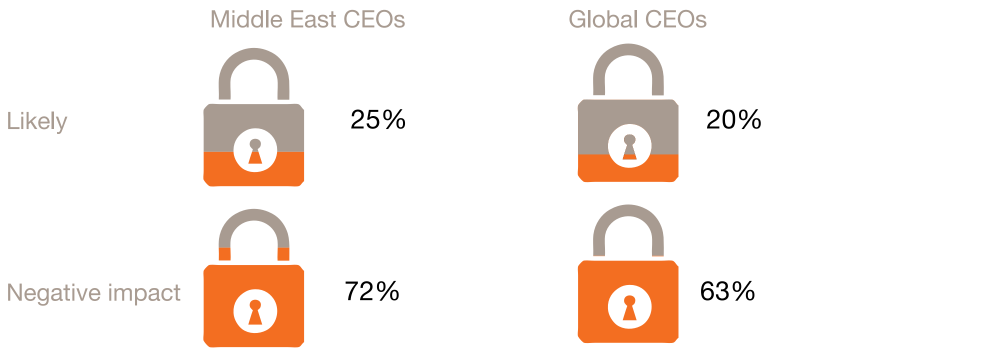
Cybersecurity

How can we minimise the threat of cyberattacks?

One in four Middle East CEOs think a cyberattack is likely to happen.

Figure 16: Middle East CEOs more concerned about cyberattacks than their global peers

Likelihood and impact of cyberattack or major disruption of internet



With intellectual property, trade secrets, financial information and even national security at risk, CEOs and boards are paying more attention to what once was considered an IT issue. Cyberattacks are now a major threat to business. And, among Middle East CEOs, a higher proportion (25%) than in any other region believe a cyberattack or major internet disruption is likely to occur.

Company leaders are acknowledging that with increasing reliance on information assets, cyberthreats have become an intrinsic part of the digital business ecosystem. And many are also realising that cybersecurity underpins everything they do - product and service development, mergers and acquisitions, and operations.

Companies that are adopting this new mindset have identified their most crucial information assets and prioritised how they will protect them. They're considering cybersecurity at the outset of business initiatives. They're also evaluating responsibility and accountability, with many installing an executive role or council charged with all aspects of cybersecurity.

They recognise the potential damage a security breach could inflict, both financial and reputational. Indeed, nearly three-quarters (72%) of Middle East CEOs said that a cyberattack would have a negative impact on their businesses, more than any other region. It is clear that, from being a peripheral concern a few years back, cybersecurity has moved to being an integral part of business strategy that cannot be overlooked.

About the 2013 Middle East CEO Survey

PwC conducted 32 interviews with Middle East-based CEOs from eight countries in the region as a part of the 16th Annual PwC Global CEO Survey. In all, PwC conducted a total of 1,330 interviews with CEOs in 68 countries between 5 September and 4 December 2012. The interviews were spread across a range of industries, with further details by region and industry available on request.

The majority of interviews were conducted by telephone, with some country exceptions: Interviews were conducted face-to-face in Africa and the Philippines; postal surveys were used in Japan and Korea; and online surveys were completed in Australia, Iceland and Singapore. The US and Greece also used a mixed approach of telephone and online. In addition, members of our global CEO panel were invited to take part online, with 230 CEOs providing their views. All interviews were conducted in confidence and on an unattributable basis. In all, PwC conducted in-depth interviews with 33 CEOs from five continents over the fourth quarter of 2012.

The Global CEO Survey can be found at

http://www.pwc.com/ceosurvey.

Note: Not all figures add up to 100%, due to rounding of percentages and to the exclusion of 'neither/nor' and 'don't know' responses.

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