



pwc

The New Equation

Transforming our Region

Tuesday 11 June 4pm GST



Welcome

Stephen Anderson

Strategy Leader
PwC Middle East

01



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Economic Updates

Jing Teow

Director, Economics & Sustainability
PwC Middle East

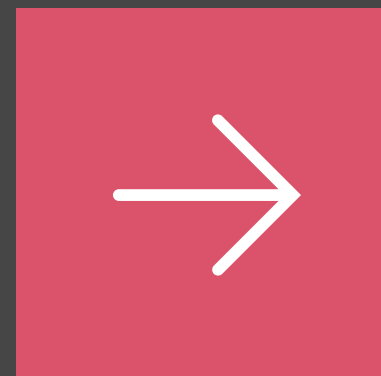
Sustainability in the Middle East

Amal Larhlid

EMEA Sustainability Leader for Governments
PwC Middle East

Vijay Bains

Chief Sustainability Officer
Group Head of ESG



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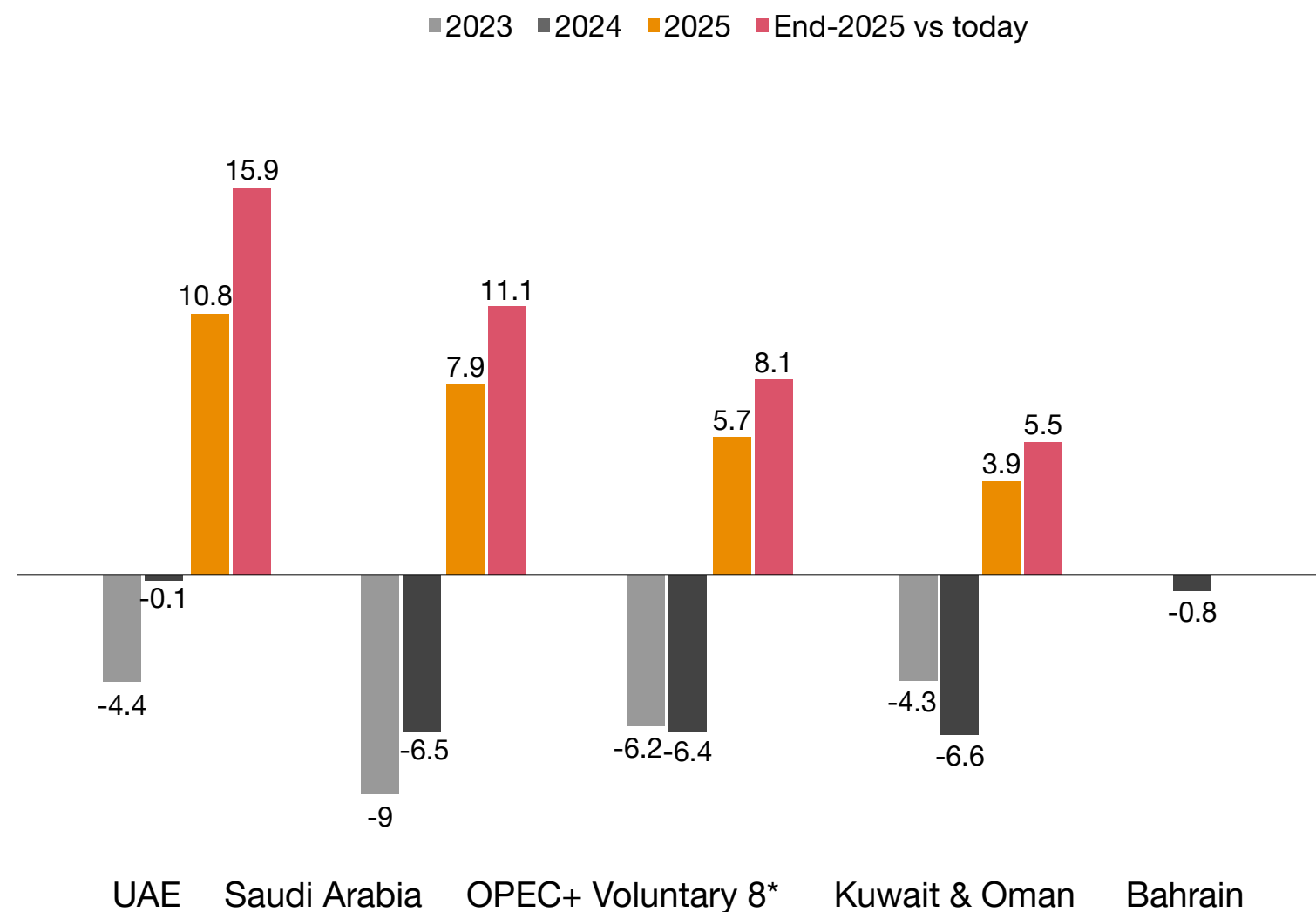
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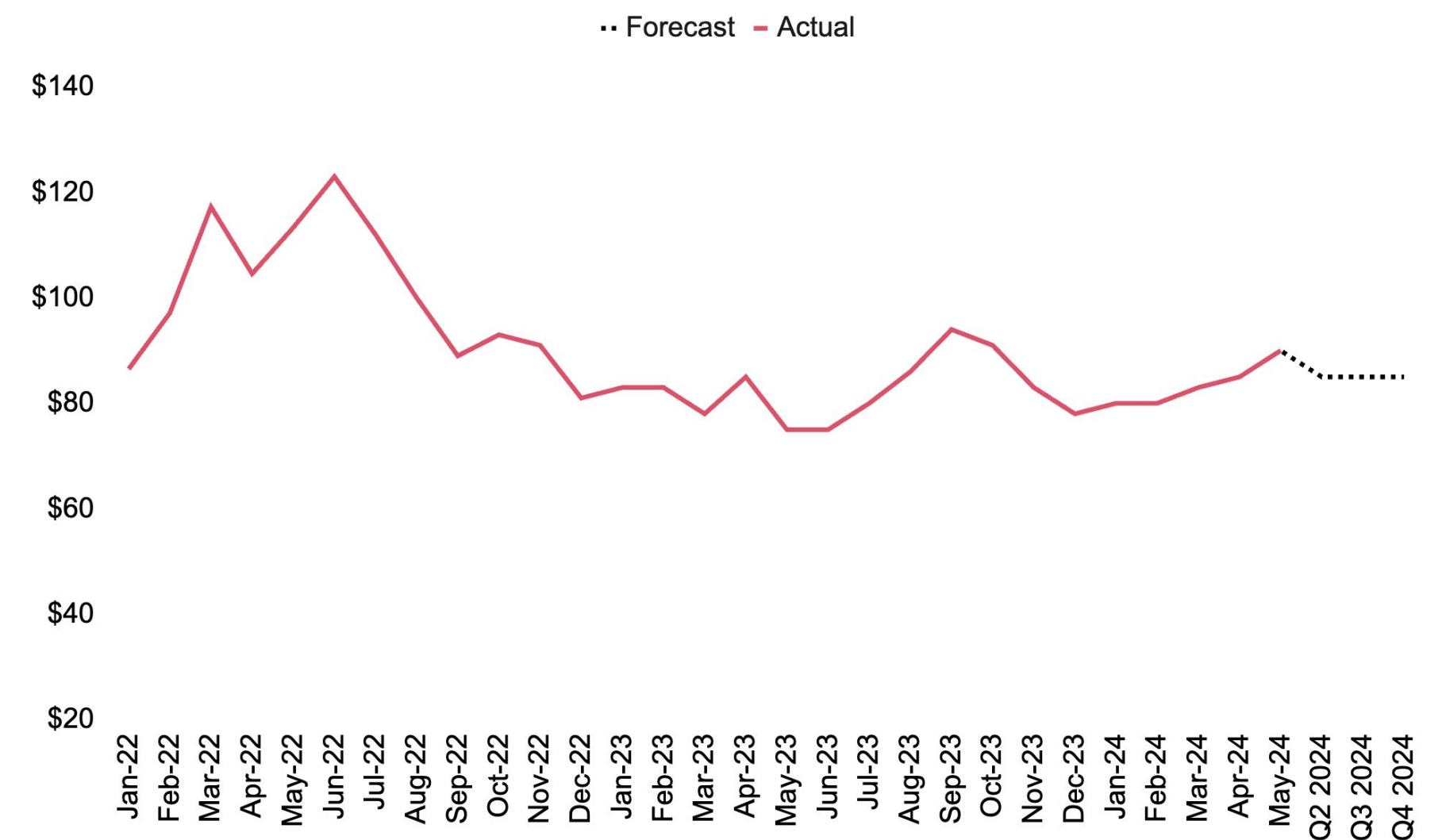
Economic Update

The oil market had an initially bearish reaction to the latest OPEC+ decision we think the cohesion displayed will prove bullish longer term

OPEC+ allocations for GCC states (% change)



Brent Crude oil spot prices (US\$/barrel)

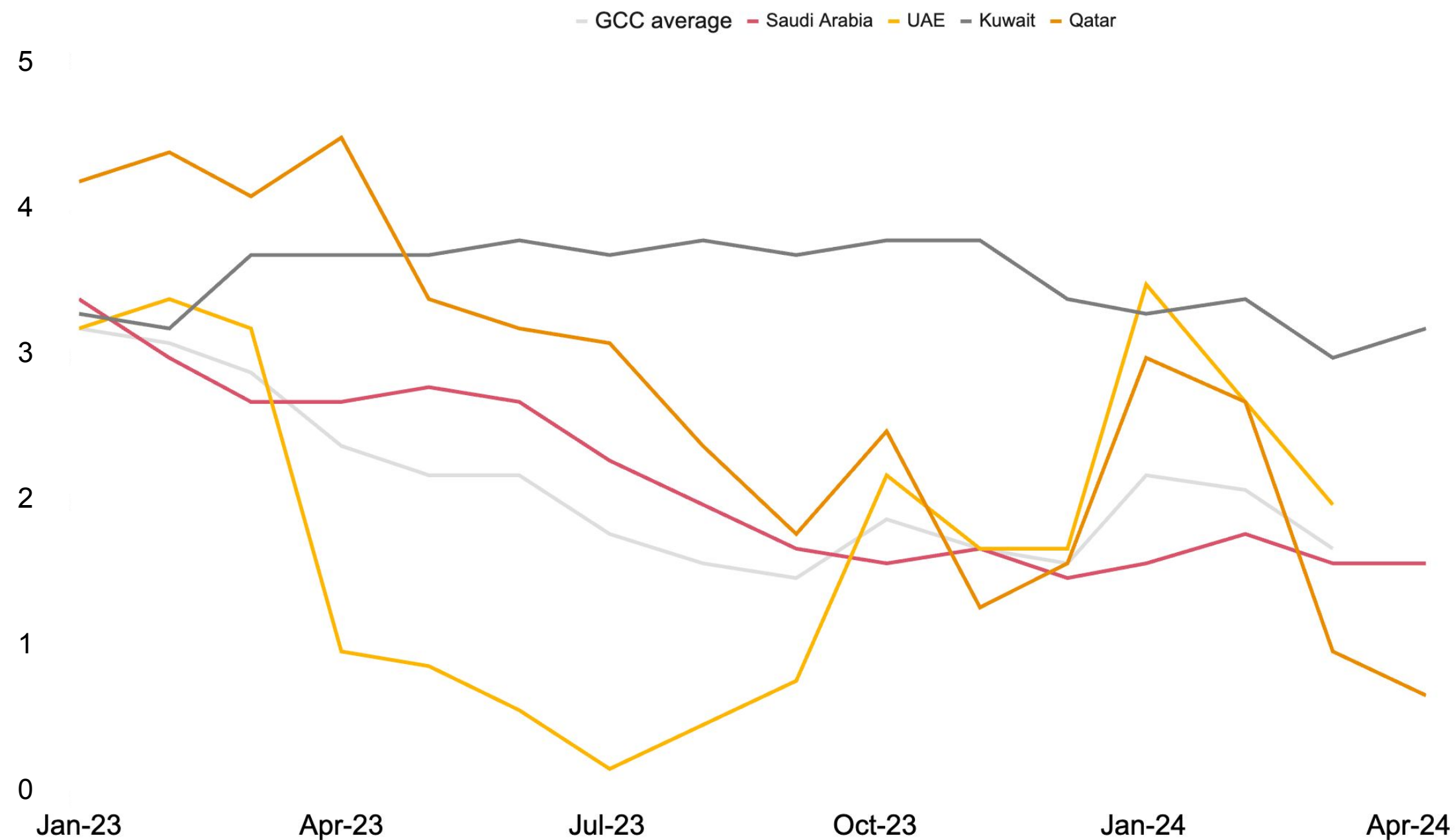


Sources: OPEC, International Energy Agency; The OPEC+ Voluntary 8 are: Saudi Arabia, UAE, Kuwait, Oman, Iraq, Algeria, Russia and Kazakhstan

Economic Update

Inflation in the region remains subdued during 2024

Consumer Price Index (% year-on-year change)



Source: Statistical agencies

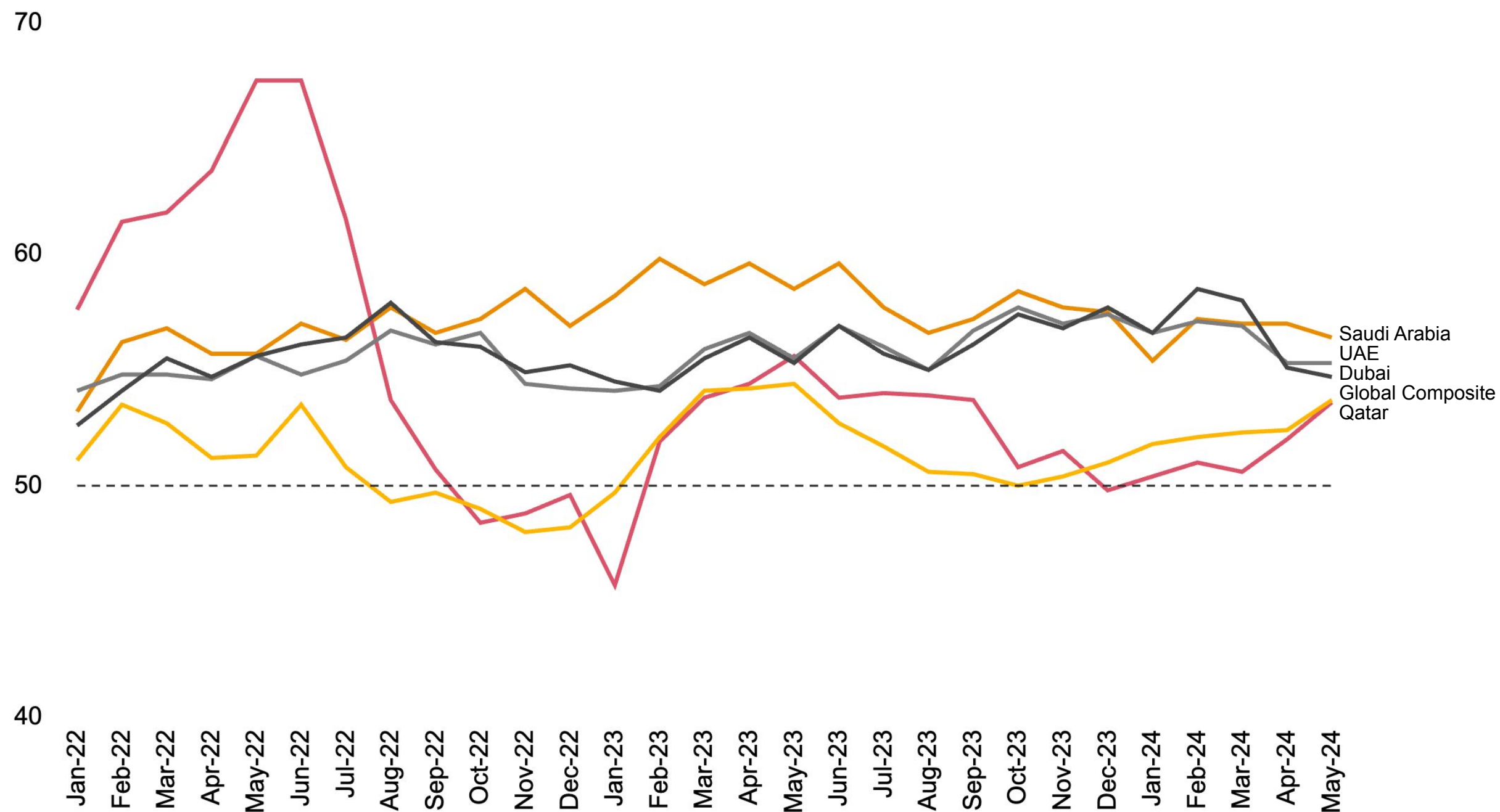
- Inflation in the GCC countries stayed subdued during the first quarter of 2024 as global inflationary pressures fluctuate during the period because of the impact of the opposing forces of a resilient global economy and ongoing geopolitical tensions.

- In Q1 2024, inflation averaged 2% in the GCC in line with the IMF forecast of 2.2% inflation in 2024.

Economic Update

Non-oil business activity continues to grow in the region

Purchasing Managers' Index for January 2022 to May 2024



A reading above 50 indicates an expansion of the non-oil private sector compared with the previous month; below 50 represents a contraction; 50 indicates no change

- Strong PMI data in GCC states points towards the relative health and momentum of the regional economies and continuing a period of robust output growth across the non-oil economy.

- The PMI for Saudi Arabia's non-oil economy shows a positive trend, driven by increasing demand as evidenced by the rise in new orders. This growth has necessitated an increase in employment to meet the growing demand for goods and services

Sustainability in the Middle East 2024

Breaking through barriers

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EMEA Sustainability Leader for Governments
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Chief Sustainability Officer
Group Head of ESG

03



It is clear that progress in the region is gaining momentum

Eight in 10

have a formal sustainability strategy (up from 64% in 2023)

>50%

have fully embedded their sustainability strategy across their organisation

One in two

now have a Chief Sustainability Officer or plan to appoint one in the next 12 months

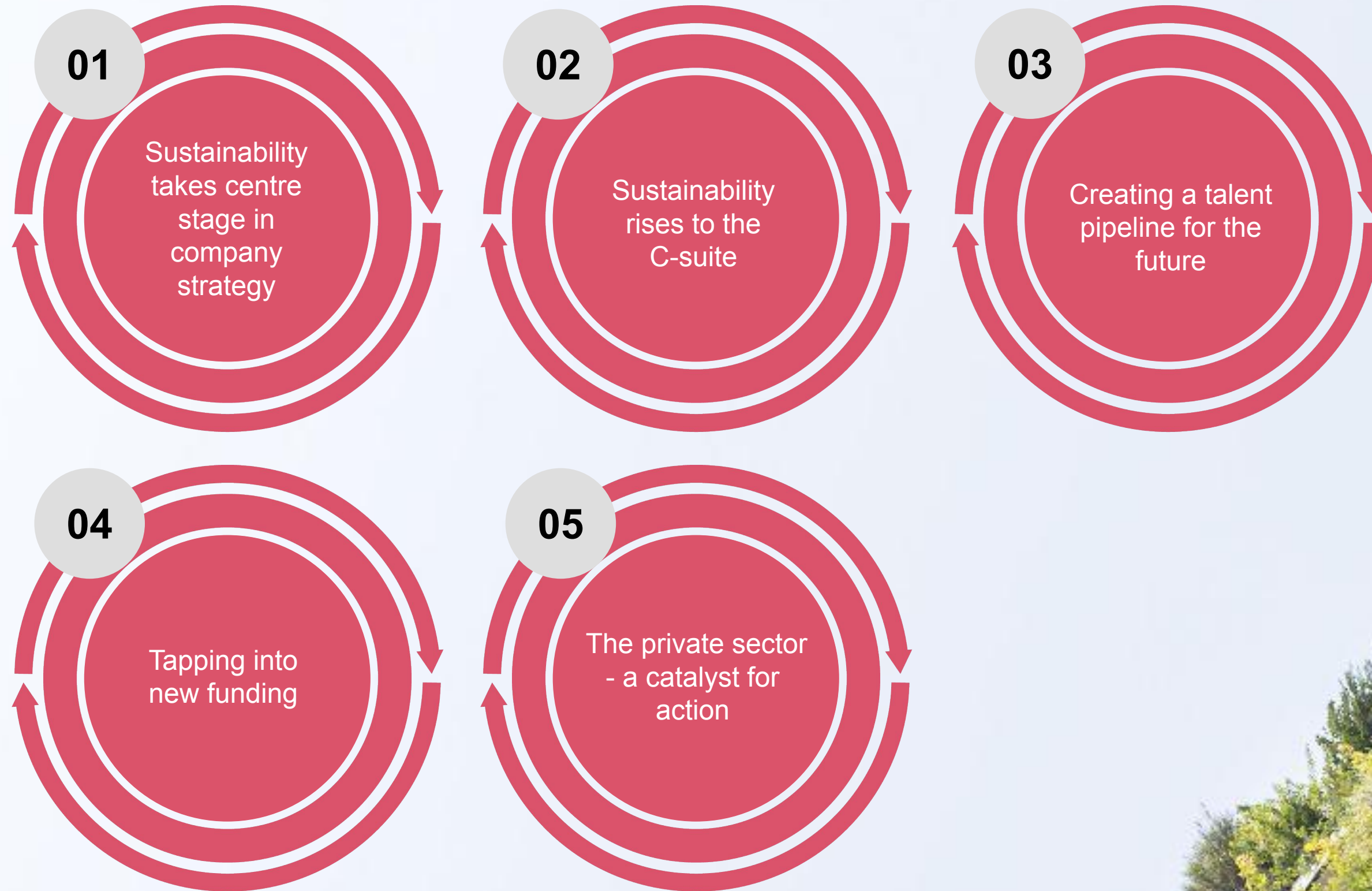
One in three

say a lack of internal skills and expertise remains the biggest challenge

2.5x

of companies plan to access green loans and bonds - up 20% since 2023

This year's **five** key themes show momentum growing in the region moving from ambition to action

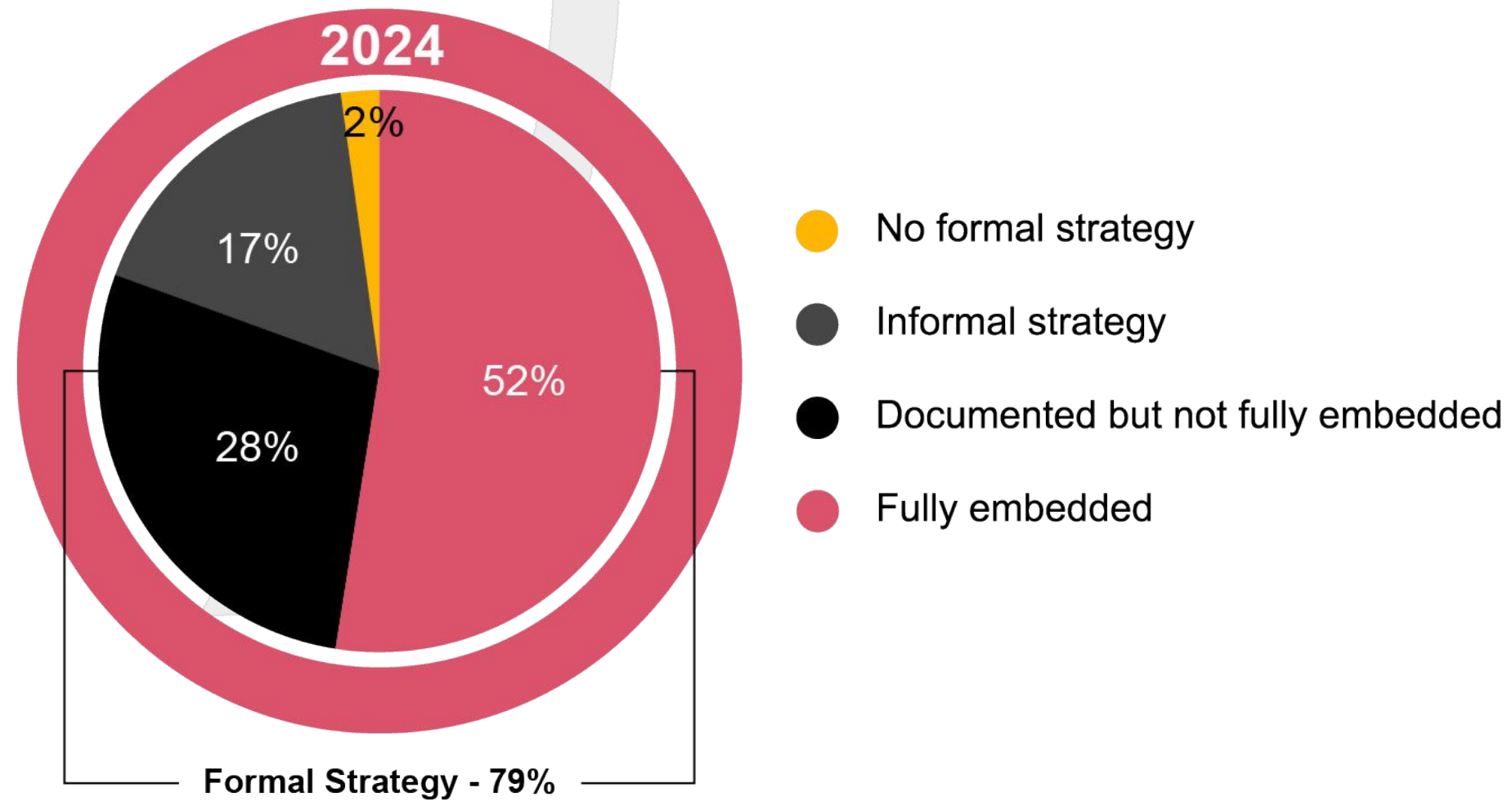


01

Sustainability takes centre stage in company strategy

Four in five executives in this year's survey indicate that they now have a formal sustainability strategy in place.

52% say this is fully embedded across their organisation.



Q. Which of the following best describes your organisation's Sustainability/ESG strategy status?





50% of our survey respondents have made a net-zero commitment.

A further 26% are working towards making such a commitment.

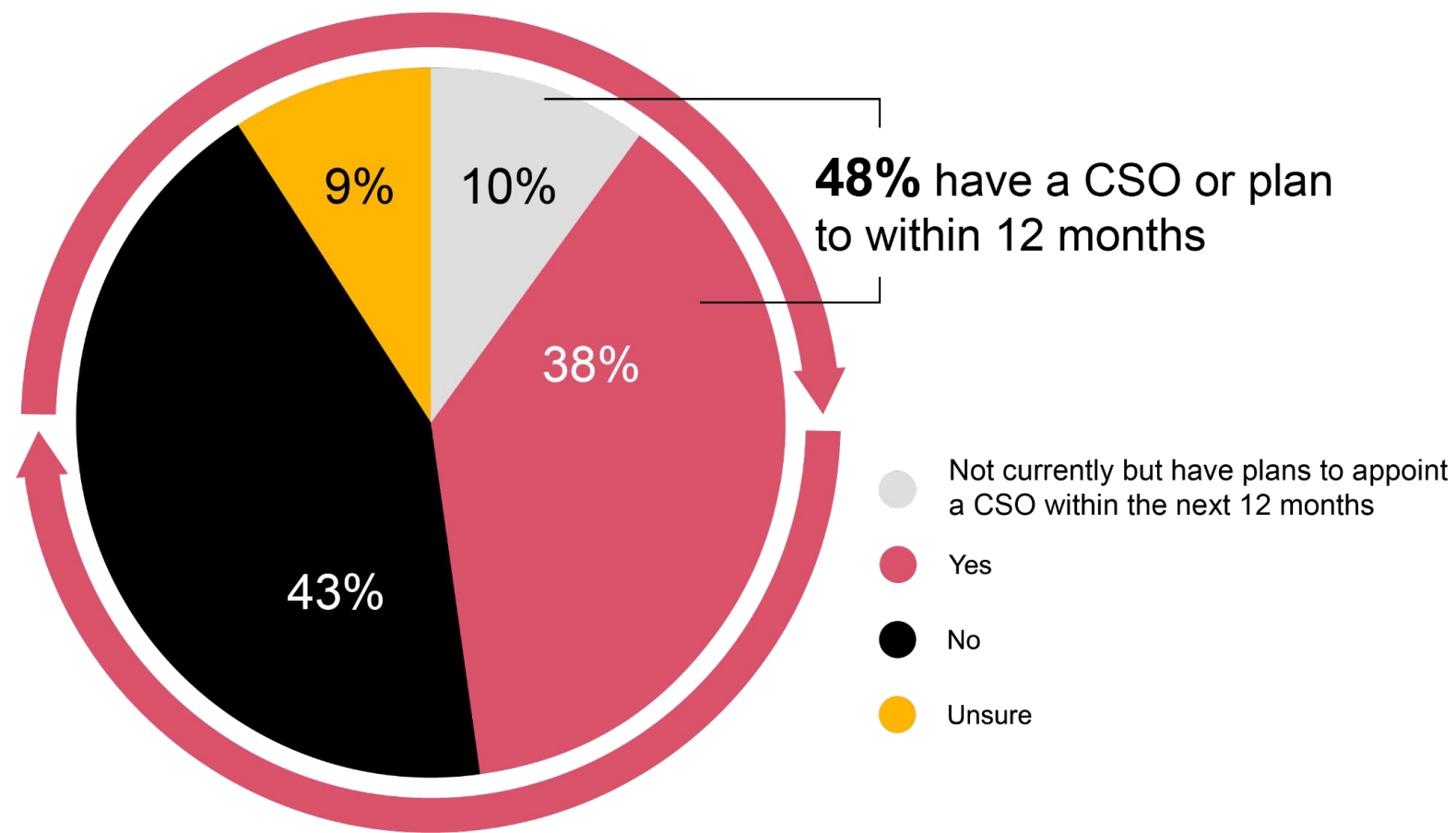
02

Sustainability rises to the C-suite

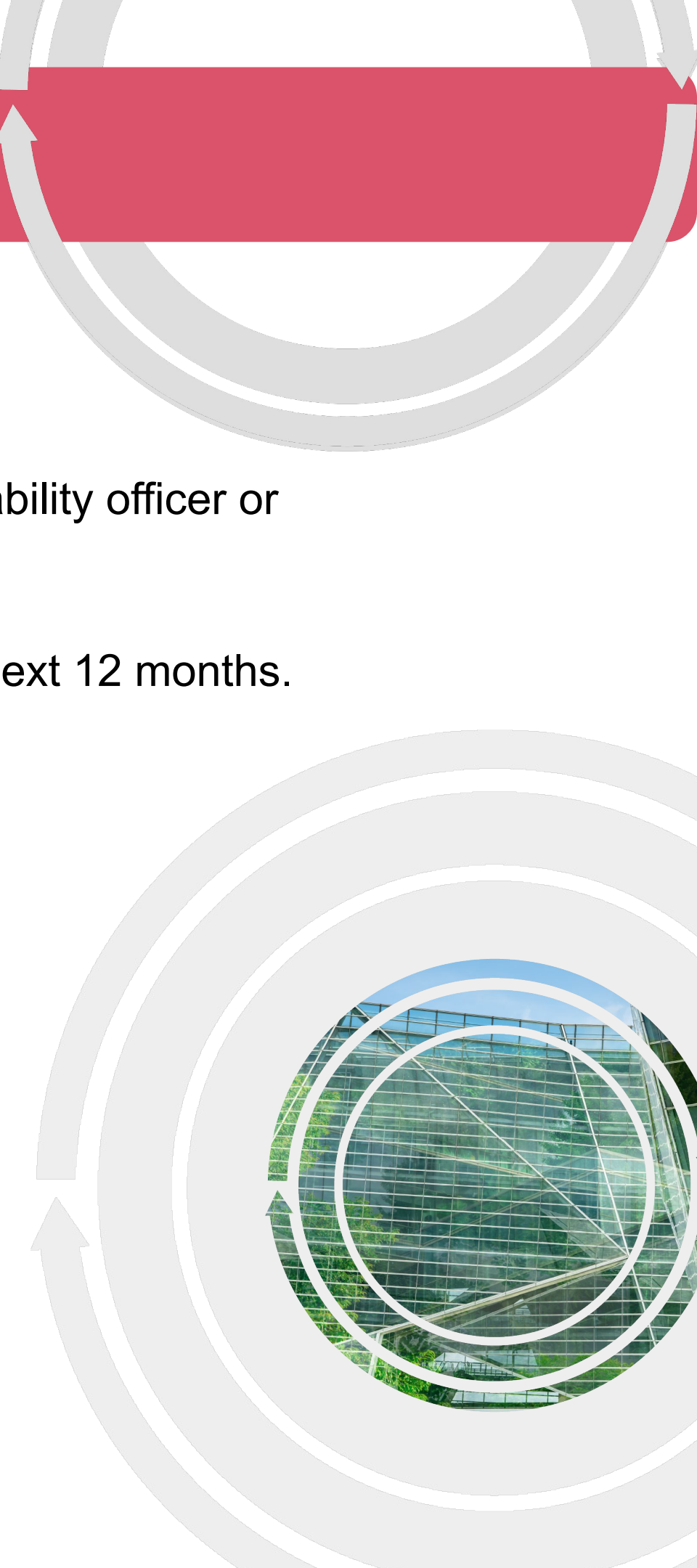
The role of the CSO is on the rise in the Middle East.

We see a **growing trend in the creation of top-level positions** such as chief sustainability officer or sustainability director roles just below the C-suite.

Almost half say their companies either have a CSO or equivalent or plan to appoint one in the next 12 months.



Q. Do you have a Chief Sustainability Officer within your organisation?

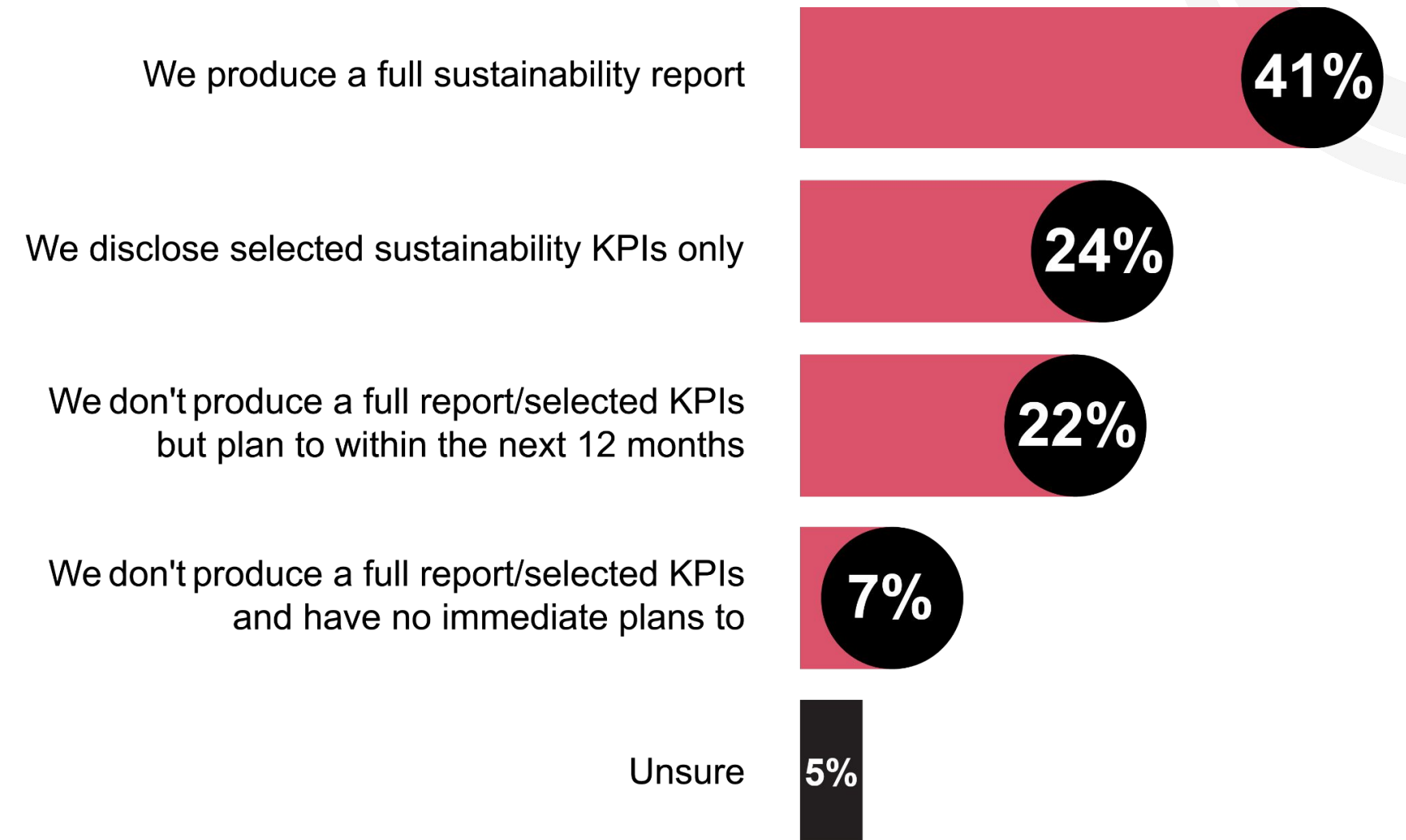


02

Sustainability rises to the C-suite

Two thirds of companies in the Middle East now produce sustainability reports or key metrics, our survey shows.

Of those surveyed who do produce reports, **66%** adhere to the **Global Reporting initiative (GRI)** framework.



Q. Which of the following describes your organisation's current approach to Sustainability/ESG reporting?

Nearly 80% surveyed identified **knowledge of sustainability reporting** as the most important, closely followed by **understanding sustainability trends and practices**.



Q. Which, if any, of the following areas of knowledge and expertise are critical to progressing and implementing your organisation's Sustainability/ESG strategy?
(Ranked in top three responses)



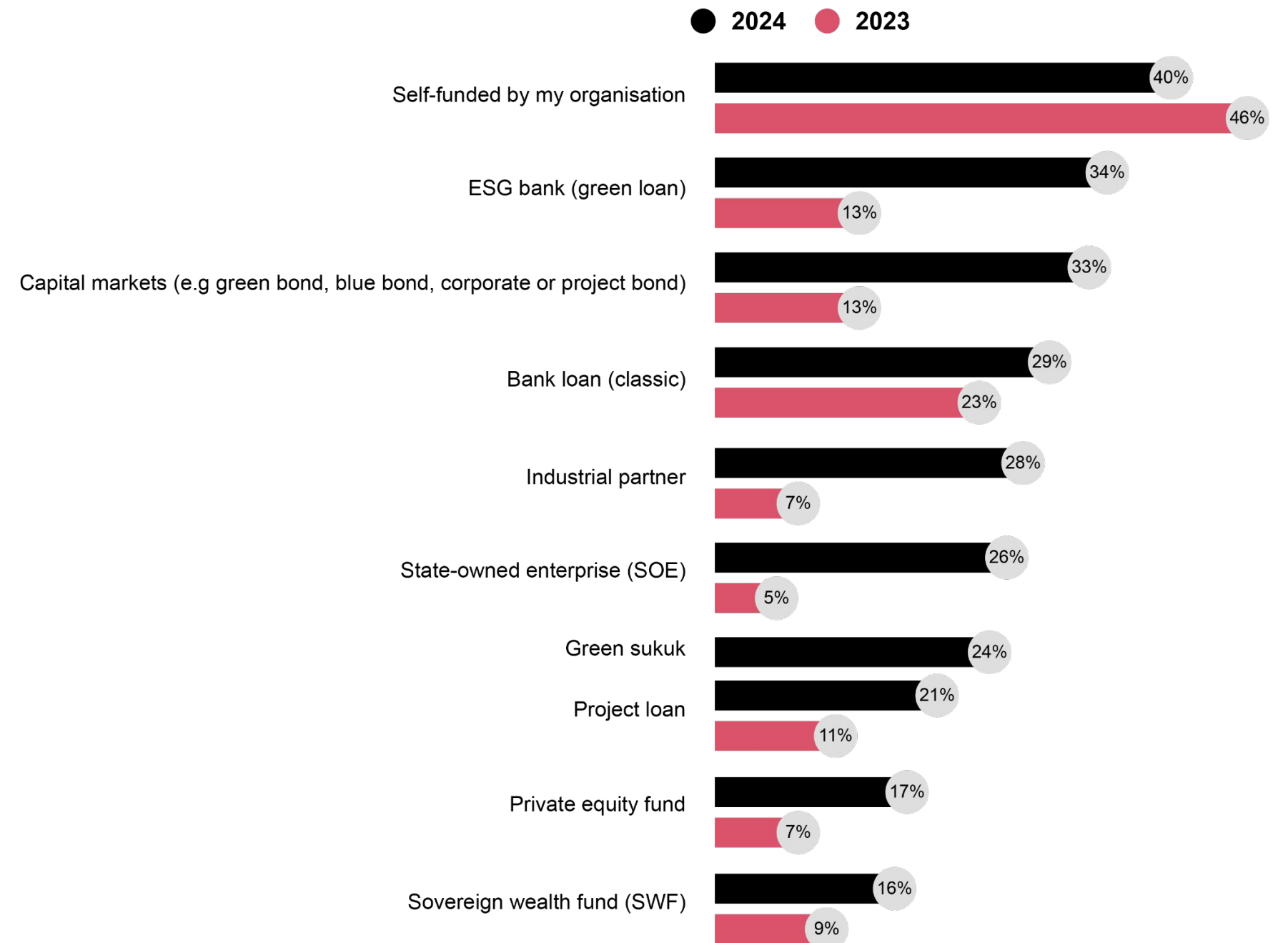
GenAI will offer further opportunities to drive the sustainability agenda.

GenAI deployment is still in its infancy with respondents citing technology to enhance existing capabilities rather than deeper operational purposes like smart waste management or circular economy modelling.

04

Tapping into new funding

34% revealed that they would opt for **green loans** and **33%** are considering **capital markets (green or blue bonds)** as part of their financing options.



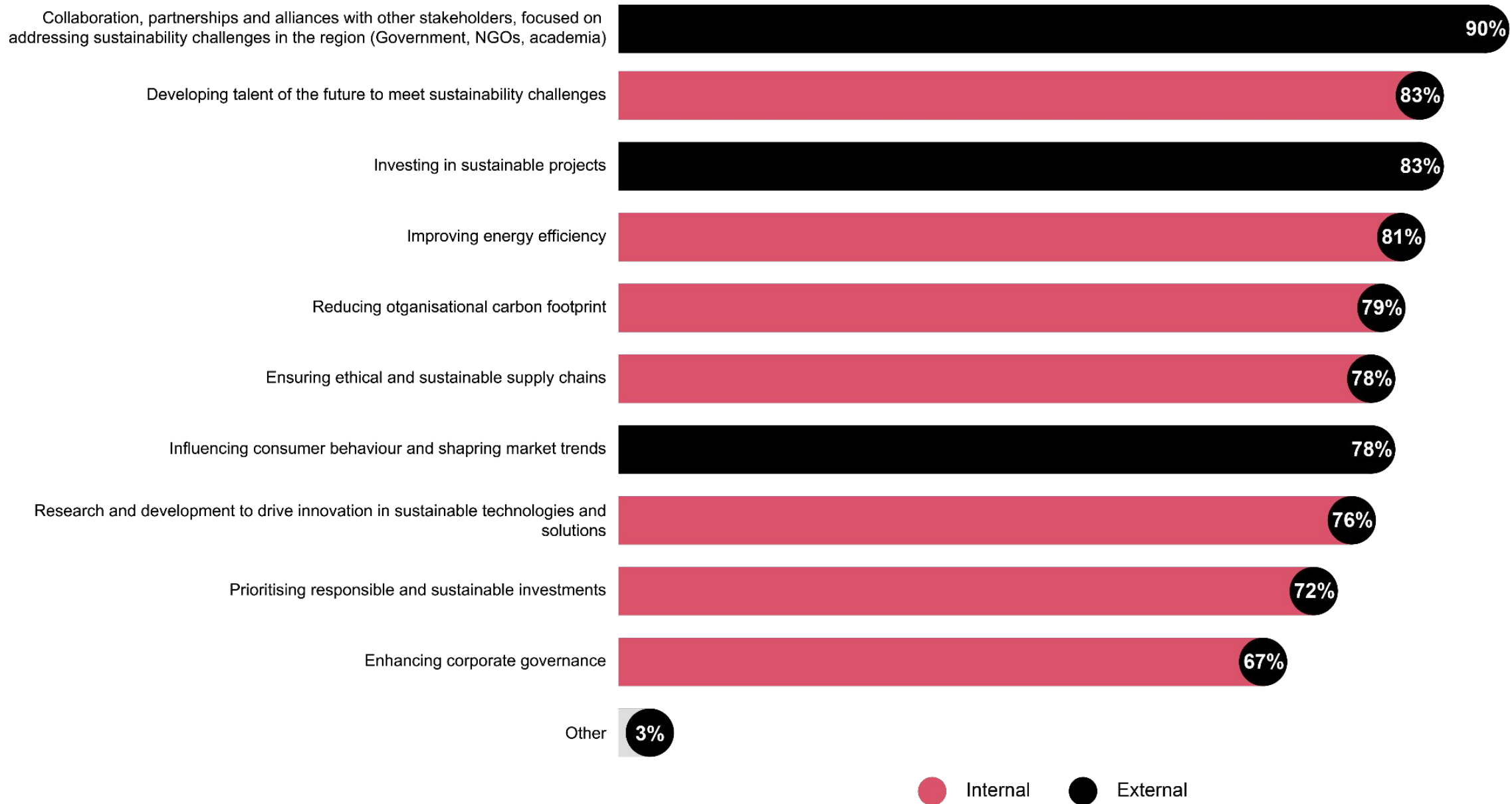
Q. Which, if any, of the following green finance options is your organisation planning to access over the next 12 months?

Chart displays the top 10 2024 selections
 *Green Sukuk, was a new answer option in 2024
 Base: All respondents 2024 (58), 2023 (56)

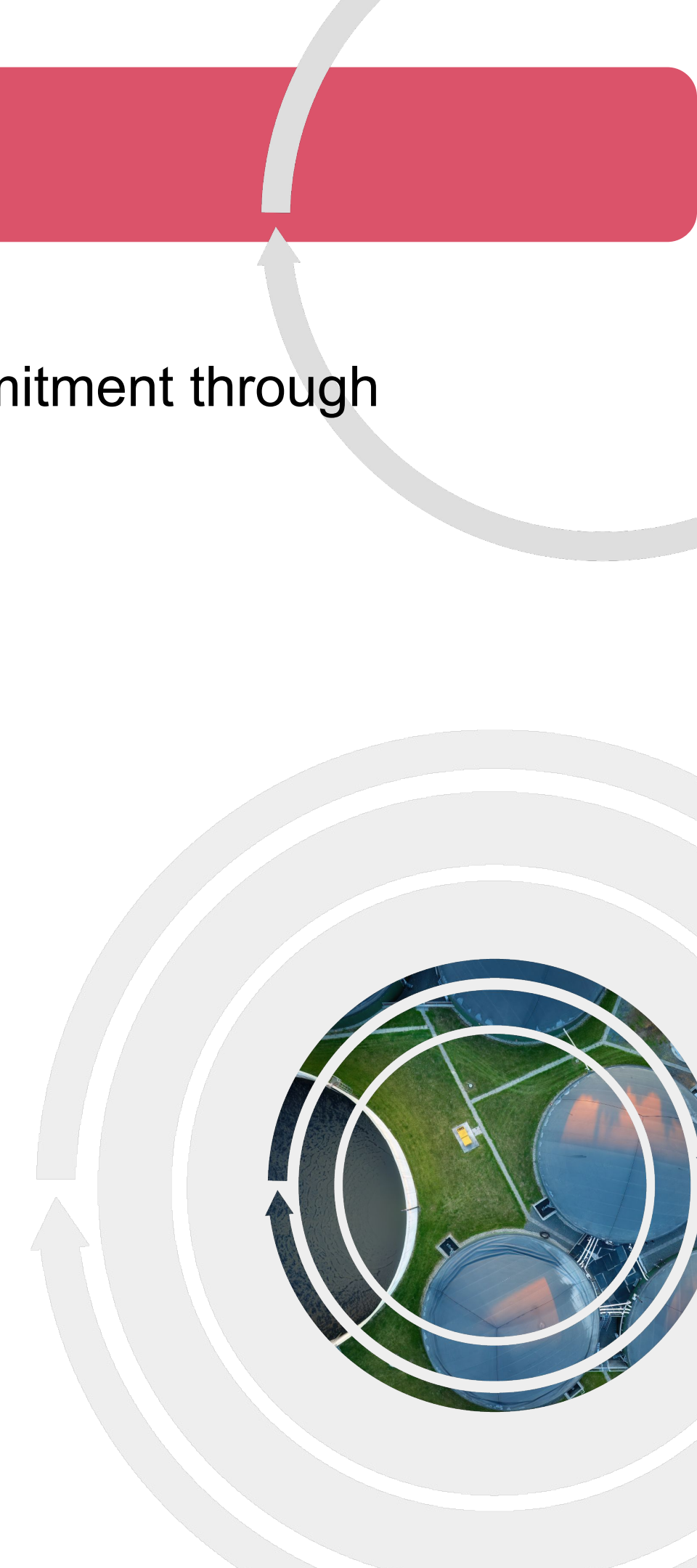
05

The private sector - a catalyst for action

9 in 10 state that the private sector can play a role in scaling the region's commitment through **collaboration, partnerships and alliances** with other stakeholders.



Q. In which of the following areas do you think the private sector can play a role as the region scales up its sustainability commitment?



To accelerate the progress there are four areas of focus





Q&A





Thank you

