



2023 Qatar CEO Outlook

Opportunities for Growth

KPMG in Qatar

kpmg.com/CEOoutlook

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Summary

80%

of CEOs are **confident** in the growth prospects for their companies and industries.

However, **confidence** in the country and global economies wasn't as optimistic.

64%
Qatar

52%
Global

44%

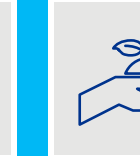
of CEOs consider **Gen AI** is a top **investment priority** with expected return in more than 5 years.

Approximately
3/4 of CEOs

believe there will be a **return to in-office work** in the next three years.

44%

Of CEOs have **fully embedded ESG** into their business as a means to value creation.



Emerging/Disruptive technology

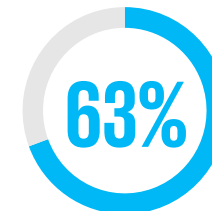
is considered the **leading risk to growth**.

Challenges to implementing AI:

1. Ethical challenges
2. Adoption amongst employees
3. Security & Compliance
4. Technical capability & skills required

33% of CEOs

say they'll likely **reward those who make an effort to come into the office** with favorable assignments, raises or promotions.



of CEOs believe their **current ESG progress isn't strong enough** to withstand potential shareholder & stakeholder scrutiny.

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Overview

2023 Qatar CEO Outlook report provides insights into the current economic and geopolitical landscape and how CEOs are navigating this uncertainty. Despite ongoing challenges, CEOs remain optimistic and are taking a proactive approach to deliver positive outcomes.

The main themes of the 2023 CEO Outlook report are:

- 1. Economic outlook:** Qatar's CEOs are optimistic about the growth of their organizations and industries, boasting an impressive 80% confidence for the next three years.
- 2. ESG:** Despite potential challenges Qatar's CEOs recognize the long-term benefits of ESG in enhancing brand, customer relations, and talent attraction. They view ESG not just as a trend but as a transformative force in corporate strategy.
- 3. Talent:** Qatar's CEOs are reassessing work environments, with 72% expecting a full office return and 24% considering hybrid models. Incentives for office return reflect a traditional mindset.
- 4. Disruptive technology:** CEOs consider generative AI to increase profitability, efficiency, and productivity with the majority of CEOs indicating that it poses a challenge to implement generative AI in their organisations.

The report highlights that the majority of CEOs have already adopted a three-year growth strategy and are prioritizing capital investment in buying new technology, and in developing their workforce's skills and capabilities to support their growth and transformation.

Against the backdrop of a complex and rapidly evolving environment, Qatar's CEOs are facing numerous threats characterized by emerging/disruptive technology, cybercrime and cyber insecurity, regulatory concerns, and talent.

The report also reveals that while acknowledging that an organisation's reputation is closely tied to a trusted CEO, the majority of CEOs are still prepared to demonstrate strong personal integrity by taking a stand on politically or socially contentious issues, even if the Board was concerned about the risks of taking such a public stance, and are also prepared to divest a profitable part of the business that was damaging the organisation's reputation.

In summary, CEOs remain optimistic despite the challenges and uncertainty, and are concentrating their efforts on strategic, long-term planning and resisting the allure of reactive short-term leadership.



Ahmed Abu-Sharkh

Country Senior Partner
KPMG in Qatar

We find CEOs navigating economic uncertainties with optimism, prioritizing disruptive technologies like generative AI, and championing ESG governance. Despite challenges from cyber threats to regulatory hurdles, their commitment to integrity and long-term strategic planning remains unwavering and ready to make bold decisions for the greater good, even in complex times.



In a dynamic global landscape, CEOs face a multifaceted challenge: balancing economic caution with talent cultivation, integrating ESG for long-term value, and harnessing disruptive technologies like AI. Success hinges on navigating these complexities with strategic foresight and responsible innovation.



Economic outlook

Qatar's CEOs exhibit **strong optimism** for their organizations' and industries' growth over the next three years, surpassing global counterparts with **80% confidence**. Their focus is on organic growth, digitization, and inflation-proofing. However, they show less optimism when it comes to national and global economic growth, indicating prudence. Top risks include **disruptive technology, cybersecurity, and regulatory concerns**, differing from global CEOs who prioritise geopolitics and operational issues. This reflects Qatar's unique strategic focus and risk landscape.



ESG

CEOs in Qatar are less engaged in embedding ESG strategies compared to global counterparts, with only **44%** fully integrating it for value creation. This lag may stem from an emerging regulatory environment and a slower adoption rate. **CEOs recognise ESG's long-term benefits in enhancing brand, customer relations, and talent attraction**, despite potential challenges such as increased costs and stakeholder scrutiny. Overall, ESG is seen as a transformative force, not just a trend, in corporate strategy.



Talent

CEOs are re-evaluating work environments, with **72%** expecting a **full office return** and **24% considering hybrid models**. Incentives for office return are split, reflecting a **traditional office-centric mindset**. Amidst this, there is a strong focus on inclusion, diversity, and equity (IDE), with **68%** of Qatar's CEOs content with the pace of progress, aligning with global trends. **Gender equity** in leadership and **diversity at senior levels** are seen as **key to driving growth** and adapting to future challenges.



Disruptive technology

CEOs recognize **AI's transformative impact**, with **44% prioritizing its investment**. Despite anticipating a long-term ROI, they value AI for profitability, efficiency, innovation, and **cyber security**. Challenges include employee adoption, ethical concerns, technical skills, and regulatory gaps. **80%** see regulation as a barrier, yet **72%** don't view **job redundancy** as a major issue. CEOs must lead in adopting **responsible AI practices, balancing potential risks and benefits**, and preparing for increased scrutiny and regulation.

Economic outlook

Qatar CEOs are optimistic about the growth of their organisation and industry, and less optimistic about national and global economic growth. 80 percent are slightly more positive on their organisation's and industry's growth for the next three years than their global counterparts (77 percent). These results reflect a resilience and a collective focus to get their organisation and industry back on a sustainable, long-term growth trajectory.

Qatar's CEOs are slightly less optimistic about the economic growth of the country (64 percent) and the growth of the global economy (52 percent) compared to other global CEOs (78 percent and 73 percent respectively).

This indicates their deep awareness, prudence, and caution of their environmental factors which is set within the backdrop of a less optimistic economic outlook. Incidentally, the top three operational priorities for global CEOs were slightly different with the top priority being the advancing of digitization and connectivity across their business, followed by an employee value proposition to attract and retain the top talent, a joint third of organic growth and improving customer service.

CEO confidence in the growth prospects of:

THEIR COMPANY



80%

THE QATAR ECONOMY



64%

THE GLOBAL ECONOMY



52%



Venkat Krishnaswamy

Partner, Head of Advisory
KPMG in Qatar

Qatar CEOs shine with unwavering optimism for organizational growth, navigating nationwide challenges with a keen eye on emerging technology and cyber risks, exemplifying resilience and strategic foresight.

Economic outlook



Sheikh Ali Bin Jabor Al Thani

Chief Executive Officer
Ooredoo Qatar



As the economic landscape shifts, Ooredoo remains agile, aligning with Qatar's evolution from construction-centric to a service-oriented ecosystem. Despite a dip in real GDP to 2.5% from the previous year's 4.8%, optimism reigns with stabilized populations promising equilibrium in mobile and ICT markets. The expansion of the North Oil field, a tourism boost, and favorable inflation trends further pave the way for Ooredoo's growth, synergizing with the government's commitment to Qatar National Vision 2030.

Qatar's CEOs view the top three risks to their three-year growth ambitions as emerging/ disruptive technology, cyber security, and regulatory concerns. These top three are broadly consistent with their 2022 view on risks with only cyber security replacing operational issues/supply chain as the second most important risk in 2023.

The inclusion of cyber security as a new addition to risks, and the second most important risk affecting growth demonstrates the increased awareness of the impact of cyber security in Qatar. Interestingly, while CEOs have a strong view on ESG and talent (covered in this report), they do not perceive them as risks to their growth ambitions, which is aligned with the view of their global counterparts.

Qatar's CEOs' Top 3 Risks to Growth

2023 posing greatest threats to growth

1

Emerging/
Disruptive
Technology

2

Cyber
security

3

Regulatory
concerns

Economic outlook

Qatar CEOs differ from their global counterparts whose top three risks to their three-year growth are geopolitics and political uncertainty, operational issues, and emerging/ disruptive technology. This divergence underscores the unique risk landscape in Qatar, highlighting the distinct strategic focus of Qatar's leaders in contrast to the broader global perspective.

Overall, Qatar CEOs exhibit a robust optimism towards their organization's and industry's growth, surpassing the confidence of global CEOs, with a more reserved view on national and global economic growth. While global CEOs prioritize geopolitical uncertainties, Qatar's leaders remain undeterred by such challenges, showcasing their resilience and strategic adaptability in the face of evolving global, regional and market conditions.



Salman Gulzar
Country Head
Mashreq Bank

The Qatari economic landscape is undergoing a transformative shift towards organic growth, emphasizing the adoption of emerging technologies and strategies to bolster resilience against inflationary pressures. Keeping in view the evolving local and global market dynamics, our collective ambition and strategic dedication fortify our resilience, propelling us steadfastly into the future.

ESG

44%

of Qatar's CEOs say they have fully embedded ESG into their business as a means of value creation...

...and they expect to see returns from their investments in:

3 to 5 years

28%

5 to 7 years

68%

The Qatar embedding rate could be attributed to an emergent ESG regulatory environment and laggard approach to ESG, compared to other markets with a more mature regulatory environment, institutional infrastructure, and early adopters.

When asked whether CEOs have changed the language in which they refer to ESG internally and externally, 12 percent conveyed that they have, 32 percent have not, and 56 percent were non-committal. This provides an opportunity for more to be done at an institutional level to promote and embed ESG vocabulary and practices, and to build stakeholder capital since they will be instrumental in contributing to the organizational growth.

CEOs understand the significance of ESG for their business and expect it to contribute to value creation by playing a pivotal role in enhancing their brand and reputation, building better customer relationships, and attracting the next generation of talent.



Omar Mahmood

Partner, Head of Financial Services
KPMG in Qatar

The potential for growth and positive change through ESG is undeniable. Qatar's CEOs have a golden opportunity to harness this momentum, strengthen stakeholder bonds and elevate their ESG initiatives to help drive long term sustainable growth.

ESG

CEOs are also fully aware of stakeholder's ESG expectations and scrutiny and acknowledge the potential negative impact on their business. Key negative impacts noted are the higher cost of and/or difficulty in raising finance (32 percent), disengaged employees (28 percent), threat to continued tenure (28 percent), competitor advantage (8 percent), and loss of customers (4 percent). Nevertheless, they are confident (63 percent) that their ESG approach is able to withstand stakeholder scrutiny while 38 percent are not. CEOs can view this as an opportunity to clearly define their ESG stakeholders, strengthen these relationships by creating greater awareness of their ESG activities, and being more inclusive of these stakeholders in their ESG related activities.

Overall, ESG integration is a growing consideration for CEOs, with varying degrees of adoption. Qatar's CEOs lag behind their global counterparts in embedding ESG, potentially due to emerging regulations and a slower uptake. CEOs recognize ESG's long-term value in brand enhancement, customer relations, and attracting future talent. They have the opportunity to fortify stakeholder relationships and amplify their ESG endeavours. Despite potential negative impacts, such as financial challenges and stakeholder scrutiny, the overarching sentiment is that ESG is not a fleeting trend but a transformative force for businesses.



Abdul Hakeem Mostafawi
Chief Executive Officer
HSBC Qatar

“Our commitment to ESG principles goes beyond a trend – it is a fundamental force shaping our organization. We weave these principles into our business plans, fostering trust, delivering value, and championing an inclusive and sustainable future. Our dedication to exemplary corporate governance ensures we fulfill societal obligations, setting new milestones in ESG integration for a resilient and adaptable future.”

Talent

Noting the impact of remote working on hiring, collaboration, and productivity, CEOs continue to assess ways of working to support their growth objectives. In 2022, 80 percent of CEOs considered in-office working as the go-to office environment over the next 3 years. This view is supported in 2023 with 72 percent expecting a full return to office in the next three years, 24 percent indicating a hybrid working model for this period, and four percent envision fully remote working. In terms of incentivizing staff to return to the office, only 33 percent indicated that they are prepared to reward employees with favourable assignments, raises or promotions. 33 percent were neutral on the matter and 33 percent indicated that they were unlikely to do so.

This sentiment highlights the continued prevalence of conventional office-focused mindsets among CEOs. This perspective emerges amidst discussions on hybrid work, which has notably boosted productivity in the last three years and garnered significant support from employees, especially the younger workforce. As companies develop their strategies for returning to the office, it's vital for leaders to adopt a forward-thinking approach that prioritizes employee benefits and addresses their concerns and needs, ensuring that talent is cultivated and backed.

In the next three years, CEOs expect corporate employees whose roles were traditionally based in office to be:

72%

Back in office

24%

Hybrid

4%

Remote



Barbara Henzen

Partner, Head of Tax
KPMG in Qatar

In today's dynamic business landscape, forward-thinking CEOs recognize the undeniable power of inclusion, diversity, and equity as catalysts for sustainable growth. Embracing diverse leadership is not just progressive—it is essential for future success.

Talent

There is broad alignment among Qatar's CEOs on the importance of inclusion, diversity, and equity (IDE) in their business with 68 percent submitting that the pace of progress is not slow. This contrasts with their global counterparts (66 percent) who believe that progress has been slow. Qatar's CEOs (72 percent) are aligned with global CEOs (71 percent) in that the scrutiny of organizations' diversity performance will continue to increase over the next three years. In response, Qatar's CEOs (68 percent) and global CEOs (77 percent) are also aligned that achieving gender equity in their C-suite will help to assure that they can meet their growth ambitions. Qatar's CEOs (64 percent) and global CEOs (72 percent) are also in agreement that workplace diversity will require implementing a change across senior leadership level.



Salem Al Mannai
Chief Executive Officer
QIC Group

Navigating the shift from traditional office-based structures to a global network of remote workspaces has reshaped our approach to productivity and company culture. The key lies in adopting a flexible work model that aligns with organizational goals, prioritizes employee well-being, and fosters effective collaboration, whether in-office, remote, or through a hybrid approach. At QIC Group, depending on the country we operate in, we ensure choosing the best work model that helps these companies achieve their strategic priorities and perform at a high level without sacrificing their employees' well-being.

Talent



Ibrahim Bn Khalid Al Sulaiti
President
Youth Entrepreneurship Council

The significance of entrepreneurship in Qatar's economy cannot be overstated. Focusing on the development of young talent is essential. Through a range of programs and activities, we aspire to empower them and cultivate meaningful relationships that will drive our collective success.

Thinking about your growth and transformation objectives, which of the following investments are you prioritizing?

52%

We are placing more capital investment in buying

48%

We are placing more capital investment in developing our workforce's skills and capabilities

Disruptive technology

44%

of CEOs say generative AI is a top investment priority despite uncertain economic conditions...

...and they expect to see returns from their investments in:

3 to 5 years

20%

More than 5 years

80%

Artificial intelligence (AI) is revolutionizing almost every domain of human activity and becoming an integral part of our daily lives, businesses, and society. With the rising prominence of tools such as Bard and ChatGPT, CEOs are increasingly acknowledging the vast potential of generative AI. However, CEOs are split about it being their top investment priority, with 44 percent indicating that it is and 48 percent that it is not (8 percent could not decide). 80 percent anticipate that it will take more than five years to realise a return on investment into generative AI technology, even though it will not be a challenge to implement. However, 80% CEOs cite the lack of industry regulations and direction for generative AI as a barrier for their organization's success.

Despite the level of investment prioritisation for generative AI, CEOs see value in implementing the technology. This includes increased profitability (24 percent), increased efficiency and productivity through automating routine operations (20 percent), increased innovation (16 percent), response to fraud detection and cyber-attack response (16 percent), job creation (12 percent), new product and market growth opportunities (8 percent), and faster data analysis (4 percent). It is clear that CEOs are not only recognizing but also capitalizing on the transformative potential of generative AI.



Nizar Hneini

Partner, Head of Digital & Innovation
KPMG in Qatar

Generative AI is transforming business - promising innovation and efficiency. CEOs, while addressing challenges, are committed to responsibly leveraging AI's potential, ensuring ethical use and robust governance, paving the way for prosperous growth and a tech-enabled future.

Disruptive technology

CEOs forward-thinking approach underscores the technology's pivotal role in shaping a more efficient, innovative, and prosperous future for businesses.

CEOs recognize that emerging technologies can introduce challenges that should be addressed. The challenges they note include adoption amongst employees (68 percent), ethical challenges (64 percent), technical capability and skills to implement AI (60 percent), cost of implementation (52 percent), and the lack of regulation in this space (48 percent). In fact, 80 percent of CEOs agree that the lack of current regulations and direction for generative AI within their industry will be a barrier to their organization's success. Another potential concern from employees is job redundancy and job loss, which 16 percent of CEOs believe that this is not a challenge and 84 percent believe it is. CEOs awareness of these challenges provides an opportunity and gives them a head start in addressing them.

Apart from the challenges noted above, CEOs are also grappling with how AI technologies could heighten cyber security risks. 84 percent agree that generative AI is a double-edge sword in that it may aid in the detection of cyber-attacks but may also provide new attack strategies for adversaries. With all the attention that has been placed on cyber security in the past few years, CEOs are confident (64 percent) that they are well prepared for any cyber-attack.

It is essential for CEOs to lead from the front, ensuring their organizations adopt responsible, robust AI frameworks and focus on safeguarding and governance. As scrutiny and regulation of AI increases, organizations may need policies and practices they can articulate and apply with confidence to complement their operational efficiency initiatives.



Sheikh Hamad Abdulla Jassim Al-Thani
Chief Executive Officer
Vodafone Qatar

Diversification, Cybersecurity and Sustainability are key focus areas for us at Vodafone Qatar. Taking cognizance of global and regional telecom challenges, we prioritize diversification through ICT, fintech, and digital platforms with strong underlying usage of AI, Big Data, and Automation. Our commitment to cybersecurity, protecting over 2 million customers, involves constant technological upgrades and advancements. Sustainability is woven into our business fabric, focusing on digital enrichment, human prosperity, and safeguarding the planet.

Conclusion

The Qatar 2023 CEO Outlook report paints a picture of resilience, adaptability, and forward-thinking leadership. Despite the multifaceted challenges of the current economic and geopolitical landscape, CEOs remain steadfast in their optimism. They are not only navigating these complexities but are also proactively strategizing for the future. Their confidence in the growth of their organizations and industries is commendable, even as they maintain a cautious stance on broader economic prospects. The emphasis on disruptive technologies, especially generative AI, showcases their commitment to innovation and adaptability.

Furthermore, the focus on talent, inclusion, diversity, and equity underscores the importance of a holistic approach to leadership. ESG considerations are gaining momentum, reflecting a broader shift towards sustainable and responsible business practices. As the world continues to evolve, Qatar's CEOs are setting a benchmark for strategic vision, integrity, and commitment to long-term growth. Their unwavering dedication to navigating challenges and seizing opportunities is truly inspiring for the future.



Methodology and acknowledgements

The 9th edition of the KPMG CEO Outlook, conducted with 1,325 global CEOs, including 25 of Qatar's CEOs between 15 August and 15 September 2023. The KPMG in Qatar CEO Outlook provides unique insights into the mindset, strategies and planning tactics of Qatar's CEOs.

All respondent's organisations have annual revenues over US\$500M. The Qatar CEOs surveyed included leaders from various industry sectors (e.g. banking, consumer and retail, energy, infrastructure, insurance, technology, and telecommunications).

KPMG would like to thank the following for their contributions:

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