

# Local CEOs prepare for a battered global economy

The vast majority of CEOs worldwide are expecting a recession in the next 12 months, with 86% saying they agree or strongly agree an economic downturn is coming. In the UAE, the situation is different, with only 24% of CEOs expecting a recession. Meanwhile, 60% expect their earnings to increase by 2.5 to 4.5% annually over the next three years. That's more than twice the number of CEOs worldwide, or 28%, who expect to see similar earnings.

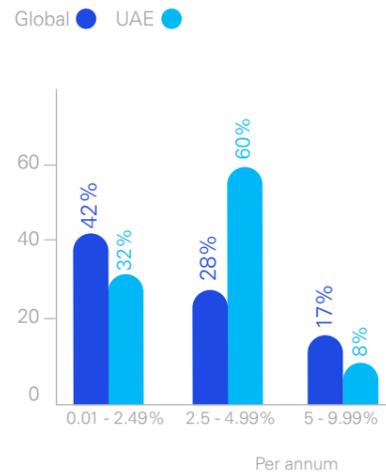
The UAE has a number of advantages that allow it to withstand global economic shocks. These include a strategic location, strong financial reserves, a large sovereign wealth fund, a number of free zones, and a progressive policy of economic diversification.<sup>1</sup> The government also invests heavily in infrastructure and public works projects.<sup>2</sup>

Local CEOs are less confident when it comes to growth prospects for the global economy. About half (56%) are confident in global growth over the next three years, compared to 71% of CEOs worldwide. However, when compared to 2021's 44%, we still notice that optimism is moving in a positive direction for the UAE.

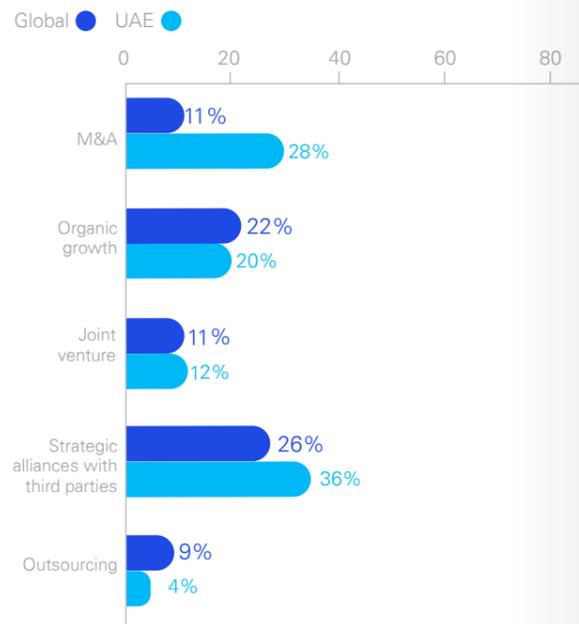
UAE leaders have been preparing for a slowdown by diversifying their supply chains and focusing on boosting productivity. Many CEOs worldwide plan to do the same. But at the time of this survey, only 32% had actually diversified already, compared to 68% of CEOs in the UAE. That puts local leaders ahead of their global counterparts by at least six months.

Many businesses are now turning to onshoring more aspects of their supply chains; 32% of CEOs in the UAE said they planned to source domestically to enhance production resiliency over the next three years. With 75% of companies worldwide experiencing supply chain disruption during the Covid-19 pandemic, using local suppliers offers insurance against new Covid-19 variants and geopolitical instability.<sup>3</sup>

**What is your earnings outlook over the next 3 years?**



**Which of the following strategies will be most important for achieving your organization's growth objectives over the next 3 years?**



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