KPMG 2022 Qatar CEO Outlook

Growth strategies in turbulent times

KPMG In Qatar

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Contents

Finding opportunity in uncertainty

Qatar's CEOs have confronted many disruptions to their growth ambitions over a short period in recent times – COVID-19, geopolitical tensions, supply chain disruptions, cyber threats, the war on talent, and a looming recession. Nevertheless, resilience and optimism in long-term growth prospects prevail. In this 2022 edition of KPMG in Qatar's CEO Outlook, we present the key themes and insights from Qatar's CEOs.

Given the turbulent economic climate, it is not surprising that the economy is top-of-mind for these executives, with due consideration of a possible recession and the impact of geopolitical pressures. Against this backdrop, CEOs continue investing in technology as the competitive growth differentiator together with attracting and retaining key talent. The focus on ESG has not diminished with CEOs adopting a slightly different approach to contemplate trade-offs between advancing and pausing their ESG plans.

CEOs ranked emerging/disruptive technology, operational and supply chain issues, and regulatory concerns as the top risks that could potentially delay their growth agenda.

Overall, CEOs can leverage experience gained from managing their growth disruptions by strengthening foundations of resilience and forging new or enhancing current opportunities in technology, talent and ESG.

Ahmed Abu-Sharkh
Country Senior Partner
KPMG in Qatar

The 2022 CEO Outlook draws on the perspectives of CEOs in Qatar to provide insight into their 3-year outlook on the business and economic landscapes.

Four key themes emerge from this year's CEO Outlook:

Economic outlook

CEOs are ready and prepared to weather current geopolitical and economic challenges while still anticipating long-term growth.

Optimism in growth remains
Despite geopolitical and economic challenges, Qatar's economic confidence level over the next 3 years is 80 percent.

Preparing for a recession
12 percent of CEOs believe a recession will happen over the next 12 months, 16 percent feel it will be mild and short, and 20 percent have plans in place to deal with it.

Managing geopolitics
Geopolitical uncertainties will likely continue to impact strategies, with 96 percent of CEOs adjusting or planning to adjust their risk management procedures.

Technology

CEOs are directing digital investment to areas of their business that drive growth, with an emphasis on partnerships and preparedness.

Emerging tech top growth risk
Disruptive technology has emerged as the number one risk to organizational growth.

Staying on the right track
More than ever, investment should be tied to growth and 68 percent of CEOs say they need to be quicker to shift investment to digital opportunities and divest in those areas where they face digital obsolescence. 84 percent of the CEO's say they have an aggressive digital investment strategy, intended to secure first-mover or fast-follower status.

Cyber as a strategic function
The cyber environment is evolving quickly — and 88 percent see information security as a strategic function and a potential source of competitive advantage.

Talent

CEOs are changing how they support and attract talent, and their efforts are buoyed by a focus on their people and experimenting with ways of working.

Talent a top operational priority
In the long term, the employee value proposition to attract and retain the necessary talent is tied as the top operational priority to achieving 3-year growth objectives.

Recession driving short-term freezes
In the short term, 32 percent of CEOs have implemented a hiring freeze, and 32 percent are considering downsizing their employee base over the next 6 months.

Fostering a spirit of experimentation
Remote working has had a neutral impact on hiring, collaboration, and productivity over the past 2 years, but 80 percent of CEOs see in-office as the go-to office environment over the next 3 years.

ESG

CEOs are balancing the need to build resilient and transparent ESG plans with the possibility of having to pause or reconsider their approaches.

ESG expectations
CEOs believe that social and environmental priorities are key, they're less convinced about making the connection between ESG programs and hard results. As only 16 percent of the CEOs believe that their ESG programs will improve financial performance as opposed to 68 percent of CEOs who believe that ESG programs may reduce the financial performance of their companies.

ESG impact on supply chains
CEOs increasingly see reporting and transparency as important to their ESG goals — and this includes insight into their broader supply chain.

Diversity ramping up progress
Qatar businesses are seeing major focus on the social aspect of ESG: 44 percent of CEOs believe progress on inclusion, diversity, and equity (IDE) has moved too slowly in the business world, and 84 percent believe scrutiny of IDE performance will continue to increase over the next 3 years.

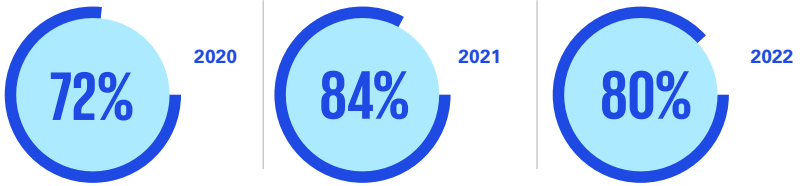
Economic outlook

Optimism in long-term growth remains

The KPMG 2022 CEO Outlook surveyed Qatar's CEOs on their 3-year outlook on the business and economic landscapes.

Despite geopolitical and economic challenges, Qatar's economic confidence over the next 3 years is 80 percent, down slightly from 2021 (84 percent) As companies continue to navigate the changing landscape resulting from the COVID-19 pandemic, 92 percent of Qatar's CEOs report positive growth expectations in 2022 (88 percent in 2021).

Strategies important for achieving growth objectives over the next 3 years



Source: KPMG 2022 CEO Outlook

"Qatar's strategic investments and planning have enabled it to withstand external economic shocks while maintaining a resilient economy with sustainable growth that has averaged more than 5% (GDP growth) since 2009. The country's economic diversification and business attraction efforts, as guided by the 2030 National Vision, have substantially strengthened the country's economic prospects. The legacy of the FIFA World Cup Qatar 2022 by raising the country's profile and spillover effects on non-hydrocarbon industries such as real estate, hospitality, sports and healthcare will help Qatar maintain long-term sustainable growth and create a wealth of opportunities for foreign investors. The hydrocarbon sector is also expected to continue to support the nation's economy, particularly with the North Field Expansion. These are reflected in the positive long-term growth projections for Qatar by the IMF and World Bank, indicating Qatar's strong long-term development prospects."

Sheikh Ali Alwaleed Al-Thani
CEO, Investment Promotion Agency Qatar

CEOs anticipate a recession — but they're prepared

While confidence is up over the next 3 years, CEOs anticipate challenges in the shorter term. One out of 10 (12 percent) CEOs believe a recession will happen over the next 12 months, but 2 out of 5 (16 percent) feel it will be mild and short and 20 percent have plans in place to deal with it. In spite of short-term recession fears, the increased confidence CEOs have for the longer term indicates they feel well prepared to navigate their businesses through turbulent times. In fact, when asked about their confidence in the resiliency of the Qatar economy over the next 6 months — a period likely to be fraught with uncertainty and constant change — 92 percent still had a positive outlook

While CEOs may be resilient, they're also realistic about the challenges ahead. Seventy- two percent of CEOs believe a recession will upend anticipated growth over the next 3 years, and three-quarters (80 percent) also believe a recession will make post-pandemic recovery harder. Fifty-two percent of CEOs predict a recession will impact company earnings by up to 10 percent over the next 12 months.

Compared to 2019 and 2020, CEOs are better prepared to weather short-term challenges with resiliency measures in place, while still anticipating long-term growth. The top three steps include: boosting productivity (60 percent), managing costs (36 percent) and reconsidering digital transformation strategies (52 percent).

Top risks looking forward

Pandemic fatigue and economic factors — including the threat of rising interest rates and inflation — top the list of most pressing concerns for CEOs today at 28 percent and 12 percent, respectively. As we look to the next 3 years, risks are more interconnected than ever. Emerging technology rises in rank as

the top risk and greatest threat to organizational growth. Supply chain/operational, regulatory and reputational concerns also jumped into the top five.

72%

believe a recession will upend anticipated growth over the next 3 years

Risks to growth over the next 3 years

August 2022

1. Emerging/disruptive technology
2. Operational issues/Supply chain
3. Regulatory concerns
4. Return to territorialism
5. Rising interest rates, inflation, etc.
6. Pandemic fatigue or continued uncertainty
7. Reputational risk
8. Talent

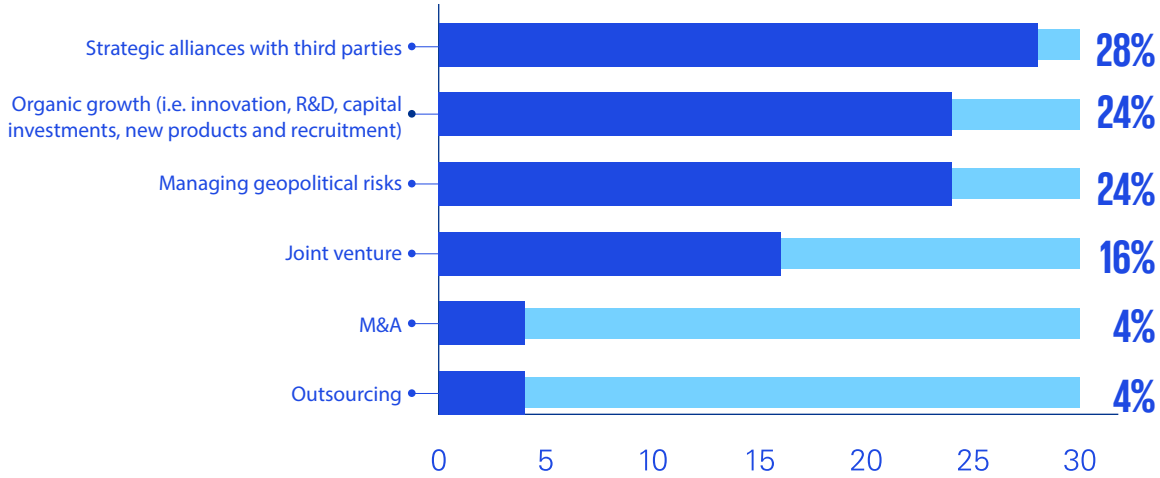
Source: KPMG 2022 CEO Outlook

Managing geopolitical risk

Strategic alliances (28 percent), organic growth (24 percent) and managing geopolitical risks (24 percent) top the list of the most important strategies for achieving organizational growth objectives over the next 3 years.

CEOs indicate that geopolitical uncertainties will continue to impact their strategies and supply chains over the next 3 years. In fact, 96 percent of CEOs have adjusted or plan to adjust their risk management procedures considering geopolitical risk, and 44 percent of CEOs will be increasing measures to adapt to geopolitical issues to achieve their growth objectives. With geopolitics a key agenda item in 2022, CEOs need to be knowledgeable on the subject and how to navigate the risks. It's important to make a geopolitical risk assessment part of their overall strategy.

Strategies important for achieving growth objectives over the next 3 years



Source: KPMG 2022 CEO Outlook

"The buoyancy of Qatar's economy is largely driven by the country's continuous focus on LNG investments where the operating model helps the country to generate huge cash flows; since the renewables have not grown in the last few years at the levels expected, the demand for fossil fuels will continue and hence Qatar's focus on LNG expansion is expected to put the country in a very strong position for at least next 3 decades. It is therefore not surprising that CEOs remain optimistic over their long-term growth prospects."

Gopal Balasubramaniam
Partner, Head of Audit
KPMG in Qatar

Managing geopolitical risk (Cont.)

Bassel Gamal, CEO, Qatar Islamic Bank (QIB), says that the global economic environment remains uncertain, characterized by a number of challenges including elevated inflation and tightening of monetary policy. This imposes imported risks and challenges to GCC economies. Similarly to other GCC countries, there is a positive sentiment in Qatar due to the high oil and gas prices as well as the government's commitment to invest in the new phase of growth and to further diversify the economy. In fact, Qatar's economy is expected to grow by 3.5 percent this year and 3.2 percent next year, making it the fastest growing economy in the GCC in 2023.

"Qatar's economy is evolving, becoming more diversified. During the last few years, as the country has been preparing for the World Cup and creating a first class infrastructure, the focus has been on lending to government projects, but the private sector is growing in strength, and there's a determination to become a regional leader in education, healthcare, entertainment and tourism."

Mr. Bassel Gamal
CEO, Qatar Islamic Bank (QIB)

Increasing M&A and Strategic alliances Appetite

Over the next 3 years, M&A and Strategic alliances remain high despite economic concerns, with 60 percent of CEOs expressing a moderate appetite and 16 percent a high appetite. 80 percent of CEOs see the greatest impact over the next 3 years from structuring capital allocation, partnerships, alliances and M&A strategy.

With increasing interest rates and borrowing costs, rapid Innovation will be the key to staying competitive. Deal makers may be taking a much sharper pencil to the numbers and focusing on value creation to unlock and track deal value, every step of the way.

"The increased investment interest in Qatar creates an opportunity for Family businesses to consider strategic alliances and partnerships to support their growth ambitions and capture greater market share. Family Governance still poses a challenge in Family Businesses given the non-linear growth in Families compared to businesses."

Yacoub Hobeika
Partner, Audit,
KPMG in Qatar

Digital transformation in uncertainty

Emerging technology lands as top growth risk

CEOs are keeping technology risks top-of-mind in the short and long term. Disruptive technology has emerged as the top risk and the greatest threat to organizational growth over the next 3 years.

This is closely followed by risks in operational issues/supply chain and regulations. In the face of these risks, CEOs continue to prioritize digital investment with 84 percent agreeing they have an aggressive digital investment strategy, intended to secure first-mover or fast-follower status.

Furthermore, advancing digitalization and connectivity across the business is tied with attracting and retaining talent as the top operational priority to achieve growth over the next 3 years. This focus on digital transformation may be driven by increasingly flexible working arrangements and heightened awareness of cyber security threats, exacerbated by geopolitical uncertainty.

KPMG in Qatar creates awareness of cyber-attacks that can arise from digital transformation and how to respond in an effective and efficient manner. Digital and Innovation partner Nizar Hneini says that "as digitalization takes over operations across the business sectors and as leaders seek to innovate through digital to remain relevant, the cyber-attack surface becomes larger and the available data gets enormous. CEOs need to continue making investments in harvesting their data and enhancing their organization's cyber awareness and capabilities to keep growing and ensure the sustainability of their business."

Staying on the right track

The anticipated recession may be pushing businesses to reconsider their strategies over the short term. Four out of five CEOs note that their businesses are pausing or reducing their digital transformation strategies to prepare for the anticipated recession (40 percent have paused or reduced, and 40 percent plan to pause or reduce over the next 6 months). In fact, 68 percent say they need to be quicker to shift investment to digital opportunities and divest in those areas where they face digital obsolescence.

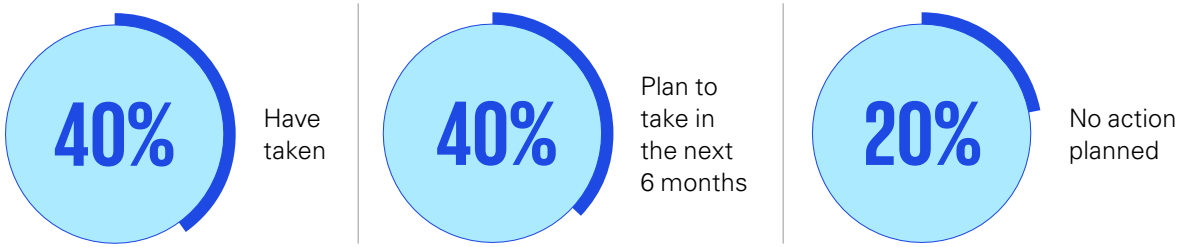
Digital transformation has become more expensive in recent years, so more than ever, investment should be prioritized in those areas that help drive growth, and potentially slowed or reconsidered on initiatives that may be considered as non-critical. In uncertain times, it's imperative that businesses focus most of their digital investments on impactful, measurable, and value-creating opportunities that support their strategic goals.

Bringing people and technology together

CEOs continue to narrow the gap between their digital transformation objectives and investing in their workforce. CEOs were offered a binary choice: whether they were placing more capital investment in new technology (68 percent) or developing their workforce's skills and capabilities (32 percent).

As businesses have implemented their digital tools, their attention has shifted to adoption, engagement, and change management to support their people's working in a very different world. To drive their growth, CEOs may be looking to make their existing people more productive through transformation.

Have CEOs taken steps to pause or reduce digital transformation strategies to prepare for a recession?



Source: KPMG 2022 CEO Outlook

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Nizar Hneini
Partner, Head of Digital and Innovation
KPMG in Qatar

Building successful partnerships

Few organizations can succeed on their own. Businesses rely on their ecosystems as building successful partnerships can help a company deliver a competitive edge. Increasingly, CEOs view partnerships as an important means to continue the pace of their digital transformation (92 percent). CEOs also say building strategic alliances with third parties is the most important strategy to help them reach their growth objectives over the next 3 years. It has become more important for businesses to partner with companies (e.g. start-ups, fintech, and more) that can help them to apply agility and resilience to growth. To bring everything together and drive a successful transformation, CEOs need the right partners, and the ability to connect it all.

Cyber as a strategic function

While other risks may now feature as top concerns for CEOs, the cyber environment is evolving quickly and 88 percent see information security as a strategic function and a potential competitive advantage. Geopolitical uncertainty is increasing concerns over corporate cyber attacks for many CEOs (84 percent). In fact, four out of five CEOs (80 percent) say that protecting their partner ecosystem and supply chain is just as important as building their own organization's cyber defenses.

Growing experience of the challenges of cyber security is also giving CEOs a clearer picture of how prepared, or underprepared they may be. More CEOs recognize they're prepared for a cyber attack, with 88 percent admitting so in 2022.

84 percent of the CEOs believe that geopolitical uncertainty is raising concerns of a cyber attack in their organizations. The rapid increase in cyber attacks, coupled with the increasing difficulty of detecting attacks on time, calls for automation and innovation in dealing with cyber incidents.

Fostering workforce resilience

Talent a top operational priority

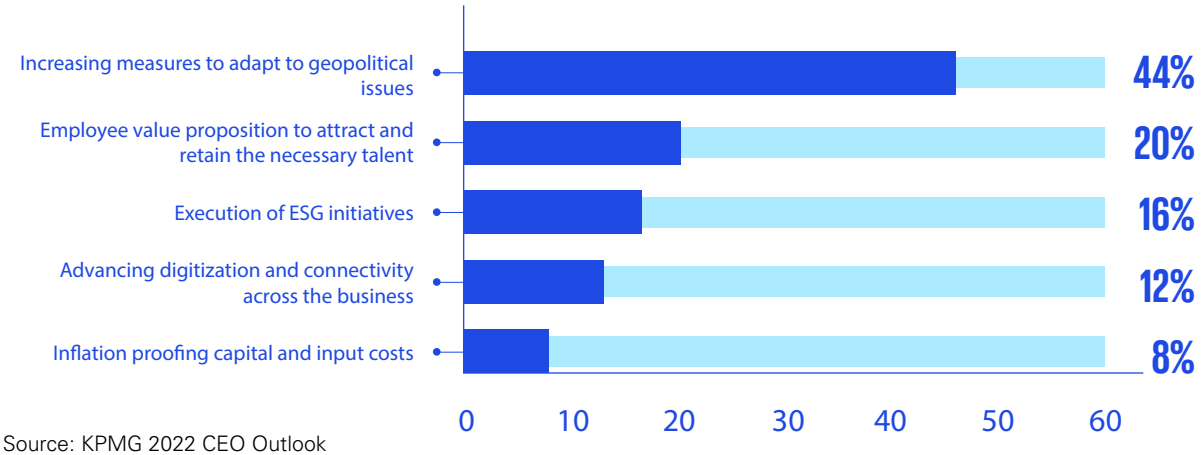
How CEOs support and attract talent is changing because of the challenging economy and CEOs' growth goals. The employee value proposition to attract and retain the necessary talent is (96 percent) agree that the ability to tied as the top operational priority to achieving 3-year growth objectives (20 percent, up from 8 percent in 2021). In addition, almost all CEOs (96 percent) agree that the ability to retain talent with the pressures of inflation/rising cost of living are top of mind, as are the long-term impacts to organizations from the pandemic and geopolitical tensions.

A business's ESG approach is increasingly seen as a differentiator when it comes to attracting and retaining talent. Of the CEOs that mentioned they were seeing significant demand for greater ESG transparency and reporting, 35 percent noted the highest demand was coming from Regulators, followed by 29 percent coming from employees and new hires. A few CEOs also note that one of the primary downsides to not meeting ESG expectations is recruitment challenges (4 percent), right behind the ability to raise financing.

Barbara Henzen, Partner and head of Tax, at KPMG in Qatar, says a hybrid working model is needed for flexibility and creating a team comprising of the right people with the best skills for a better future at KPMG in Qatar. "With all its challenges, the disruption of the last two years helped us stay connected to our people and created a deeper sense of trust and openness to explore different working models.

In the future, a hybrid work-from-home and go-to office model will keep evolving. This model combines the desire of the employees for more flexibility and a better work-life balance with theneed of the companies to attract the right talent and build strong teams with the right culture."

Top operational priorities to achieve growth objectives over the next 3 years



Source: KPMG 2022 CEO Outlook

Recession driving talent freezes

With a recession looming, there's a significant short-term emphasis on hiring freezes and headcount reductions. 32 percent of CEOs have already implemented a hiring freeze, and 32 percent are considering downsizing their workforce over the next 6 months. But when CEOs take a longer-term view, 64 percent expect their organization's headcount to increase over the next 3 years, and CEOs are still investing in their existing workforce, with half currently focused on boosting productivity.

Preparing for an anticipated recession

56%

have implemented or plan to implement a hiring freeze in the next 6 months

68%

have considered or will consider downsizing their employee base in the next 6 months

Source: KPMG 2022 CEO Outlook

"With all its challenges, the disruption of the last two years helped us to stay connected to our people and created a deeper sense of trust and openness to explore different working models. In the future, a hybrid work-from-home and go-to office model will keep evolving. This model combines the desire of the employees for more flexibility and a better work-life balance with the need of the companies to attract the right talent and build strong teams with the right culture."

Barbara Henzen
Partner, Head of Tax
KPMG in Qatar

Fostering a spirit of experimentation

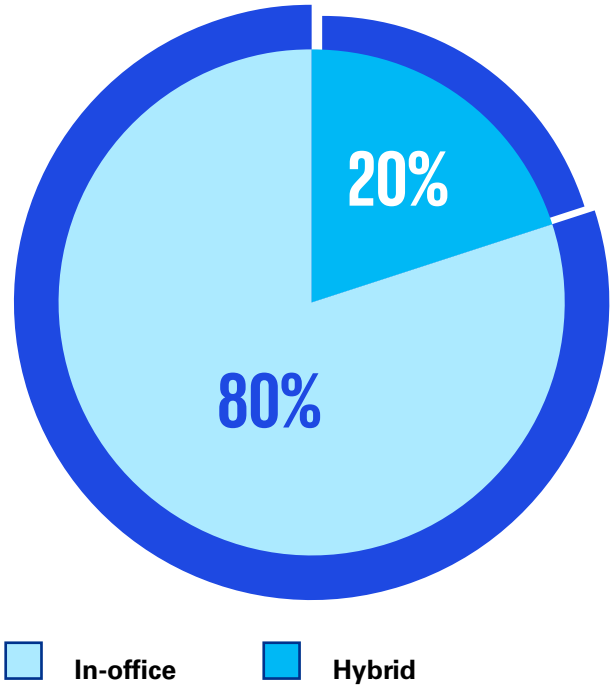
Hybrid/remote working has had a positive impact on hiring, collaboration and productivity over the past 2 years. However, many multinational organizations are launching return-to-office plans to usher in a "return to normal", and 80 percent of CEOs envision in-office as the go-to office environment in 3 years' time (with 20 percent saying hybrid).

Employee expectations when it comes to remote work are evolving, so it's important for CEOs to develop a better working structure that suits their people in what is still an emerging area.

Even if the supply-demand side of labor shifts in favor of businesses (giving managers more scope to insist on being in-office), CEOs need to make sure their people have purposeful interactions.

How do CEOs define what an optimal structure looks like? Now is the time to experiment and see what works best. Active listening, empathetic communications and a commitment to finding the right balance over the long term will be key.

Ideal working environment over the next 3 years



Source: KPMG 2022 CEO Outlook

ESG expectations

ESG's impact

CEOs see the importance of ESG initiatives on their businesses, especially when questioned about ESG's impact on improving financial performance, driving growth and meeting stakeholder expectations. And this year's survey shows a marked jump in demand from stakeholders, such as customers and investors, for increased transparency.

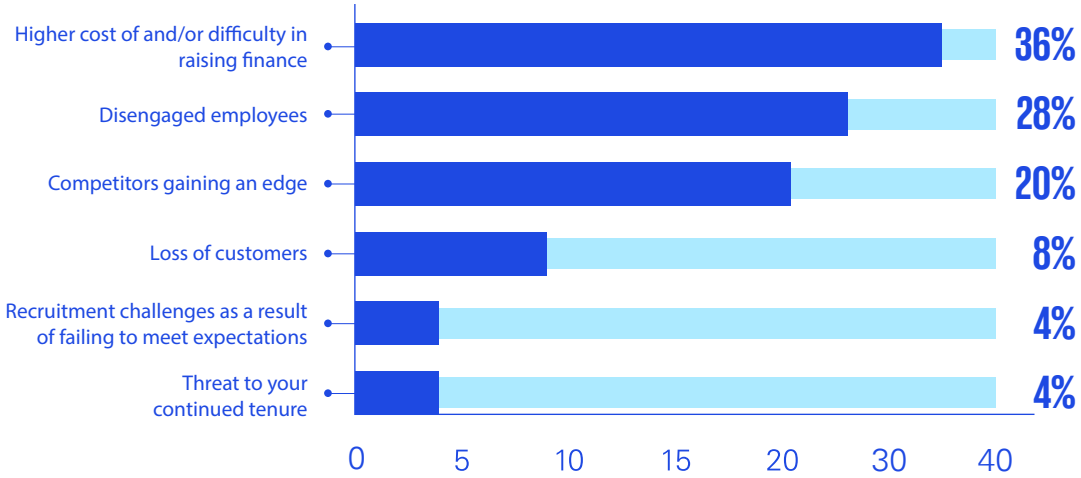
CEOs believe that social and environmental priorities are key, they're less convinced about making the connection between ESG programs and hard results. Only 16 percent of the CEOs believe that their ESG programs will improve financial performance as opposed to 68 percent of CEOs who believe that ESG programs may reduce financial performance of their companies.

CEOs increasingly understand that businesses embracing ESG are best able to secure talent, strengthen employee value proposition, attract loyal customers and raise capital. ESG has gone from a nice-to-have to integral to long-term financial success.

Changing regulations and other pressing economic matters are CEOs' biggest challenges in delivering their ESG strategies. CEOs are also increasingly aware there is a lack of an accepted framework for measuring and disclosing ESG performance. While regulation concerns remain high, this may highlight how governments and regulators need to work together to align around ESG requirements.

- **Investments are forthcoming:** Most of the CEOs say they will be looking to invest at least 6 percent of revenue in programs that enable their organization to become more sustainable.
- **Key drivers:** CEOs find it difficult to pick just one key driver when it comes to accelerating their companies' ESG strategies: proactivity on social issues (40 percent), more transparency (20 percent), IDE strategy (20 percent) and net-zero strategy (20 percent). This shows there's a growing consensus that they all matter.
- **Articulating their story:** The biggest challenge for CEOs in communicating their ESG performance to stakeholders is the struggle to articulate a compelling ESG story, which more than one-third (44 percent) say their organizations face

The downside of failing to meet ESG expectations



Source: KPMG 2022 CEO Outlook

"Although environmental and social considerations have traditionally been considered economic externalities, therefore paid by society at large, it is no longer the case. As the societies preoccupation continue to raise awareness about climate, ecology, and human rights, companies will have to fully mainstream ESG considerations in business operations to enhance profits and in some cases, as a matter of survival. Qatar businesses' competitiveness is strongly correlated with their progress towards making ESG a core priority."

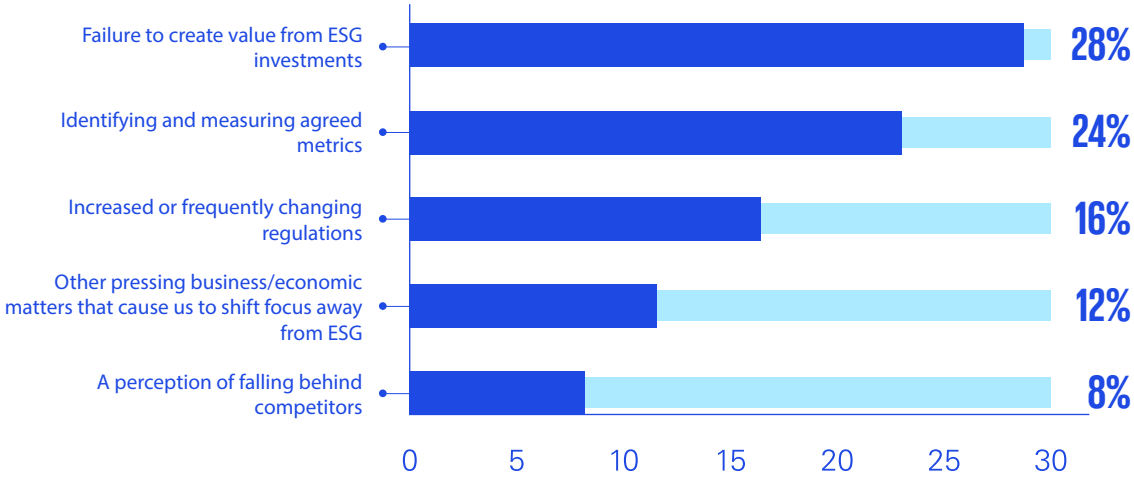
Gonzalo Castro de la Mata,
Executive Director, Earthna Center for a Sustainable Future, Qatar Foundation

A likely recession's impact on ESG

As CEOs strive to maintain optimism and take steps to insulate their businesses from an upcoming recession, indicators point to ESG progress suffering as a result, following the trend of CEOs reassessing initiatives in many areas of the business (e.g. transformation and staffing). As economic uncertainty continues, 32 percent are pausing or reconsidering their existing or planned ESG efforts over the next 6 months, and 36 percent have already done so.

ESG has become an intrinsic business imperative. Delaying key ESG efforts could make businesses more reactive in the future rather than help them lead the way with greater transparency, resilience and sustainability.

Top 5 challenges in delivering ESG strategy over the next 3 years



Source: KPMG 2022 CEO Outlook

80% of CEOs agree achieving gender equality in their C-suite will help them meet their growth ambitions

88% of CEOs agree that their organization's digital and ESG strategic investments are inextricably linked

The ESG shadow cast by the supply chain

It's critical for CEOs to understand how sustainable their entire business really is. CEOs increasingly see reporting and transparency as important to their ESG goals — and this includes insight into their broader supply chain.

Our survey shows that nearly one-quarter of CEOs (24 percent) plan to diversify their supply chains in the next 6 months in response to geopolitical challenges. Furthermore, the number one strategy that CEOs are considering to mitigate supply chain issues is to monitor deeper into their supply chain (i.e. at the third and fourth levels) to better anticipate problems. Why? Because the environmental, sustainability and human-rights practices of their partners and suppliers may impact their business and reputation.

Among the many challenges, decarbonizing the supply chain is a significant hurdle for companies looking to achieve net zero. Supply chain leaders are starting to double down on investing in technology — including real-time, end-to-end analytics, to improve visibility across the entire value chain. They will likely have a more accurate understanding of how products and materials flow through the network and where issues are in the supply chain, so they can move from mere strategic intent to real tangible outcomes.

CEOs are also making the link to digital transformation. 88 percent say their organizations' digital and ESG strategic investments are inextricably linked. With CEOs increasingly accountable to their supply chains and reporting to broader stakeholders, their success is dependent on their digital systems. Where does the business source their raw materials? Do they know their suppliers' human-rights records?

Multinational organizations need to focus more broadly on ESG, and into all the shadows cast by the organization.

"CEO's are aware that investing in ESG now will undoubtedly lead to long-term growth and the creation of shareholder value. However, in the short-term, they are still grappling with the mechanisms to increase transparency and reporting of their ESG activities to satisfy stakeholder expectations which will most likely be resolved as and when regulation and reporting requirements mature globally and in the local market."

Omar Mahmood
Partner, Head of Financial Services
KPMG in Middle East & South Asia

Diversity ramping up progress

Businesses are seeing major focus put on the social aspect of ESG. While there's broad alignment on IDE, there is growing concern around the pace of progress. 44 percent of CEOs believe that progress on IDE has moved too slowly in the business world and 84 percent believe scrutiny of IDE performance will continue to increase over the next 3 years.

Awareness is key, and CEOs can play a powerful role in helping lead and drive the IDE agenda in the years ahead. Moving forward, it's important to normalize IDE within companies to avoid fatigue.

Diverse teams are also higher performing - but often only in environments of psychological safety. 80 percent of CEOs say they have a responsibility to drive greater social mobility in their organizations, which involves how you invite everyone into and structure your organization. It requires that businesses invest in their people in a new way.

Ali Al-Shabibi, Partner at KPMG in Qatar, believes in taking the extra mile to make sure that the ideals of sustainability and ESG are thoroughly ingrained in the way we run our business.

"We see evidence that employees are favoring transparent, ethical and sustainable organizations to work for. As a result, investing in ESG initiatives can give organizations a competitive edge in the race for attracting and retaining the best talent. We believe that this could be the difference between thriving or gradual decline in the future."

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Ali Al-Shabibi
Partner, Risk & Governance, Business Transformation and ESG
KPMG in Qatar

Exploring opportunities for growth

Technology

- **Bring your people and technology together:** Organizations have invested so much in digital transformation that they need to make sure people adopt these technologies and use them to their full potential.
- **Work with partners to drive value:** With CEOs increasingly interested in partnerships, identifying, integrating and managing third parties effectively can help increase speed to market, reduce costs, mitigate risks and supplement capability gaps in delivering the customer promise.
- **Get closer to customers:** Orchestrating compelling customer experiences requires companies to begin with the customer and work backwards, taking an outside-in perspective to reverse-engineer and shape what the experience should be; then, they should adopt an inside-out view to define how the experience should be delivered.
- **View cyber security as a strategic function:** Increasingly, cyber is no longer seen as only an IT issue; it's a fundamental business operation imperative. The exponential increase in cyber attacks, coupled with the difficulty of detecting an attack in a timely manner, calls for automation and innovation in dealing with cyber incidents.

Talent

- **Experiment with ways of working:** As organizations launch return-to-office plans, it's important for CEOs to develop working structures that suit their people. It's time to experiment and see what works best. Active listening, empathetic communications and a commitment to finding the right balance over the long term will be key.
- **Tell your ESG story:** A business's ESG approach is increasingly seen as a differentiator when it comes to attracting and retaining talent. And with many CEOs saying they're struggling to tell a compelling ESG story, it's important for CEOs to articulate for stakeholders the steps they're taking to address ESG in their organizations.
- **Build, don't follow:** Organizations and their employees are changing and leaders need to reinvent the enterprise workforce. The old talent management playbooks are out of date, and the challenge is that there aren't new ones to replace them -yet. The way forward involves strategies that include reinventing the workforce, focusing on the social side of ESG, leveraging analytics and designing a nurturing experience.

ESG

- **Recognize ESG's impact on financial performance:** ESG has become integral to long-term financial success. CEOs increasingly agree that ESG programs improve financial performance, which includes being able to secure talent, strengthen employee value proposition, attract loyal customers and raise capital.
- **Invest in real-time technologies:** CEOs should monitor deeper into their supply chain (i.e. at the third and fourth levels). Supply chain leaders are starting to double down on investing in technology, including real-time, end-to-end analytics, to identify where issues exist and improve visibility across the entire value chain.
- **Take the lead on IDE:** CEOs can play a powerful role in helping lead and drive the IDE agenda in the years ahead. It's important to normalize and create a culture of IDE across the organization to attract and retain new employees.
- **Build strong connections among functions:** Resilient organizations have well-connected internal teams, so for example, the finance function is aware of what the ESG teams are doing.

Methodology and acknowledgments

The 2022 KPMG CEO Outlook conducted with 1,325 CEOs (25 CEOs from Qatar) between 12 July and 24 August 2022, provides a unique insight into the mindset, strategies and planning tactics of CEOs.

All respondents have annual revenues over US$500M and a third of the companies surveyed have more than US$10B in annual revenue. The survey included leaders from key industry sectors (asset management, automotive, banking, consumer and retail, energy, infrastructure, insurance, life sciences, manufacturing, technology and telecommunications).

NOTE: some figures may not add up to 100 percent due to rounding.

KPMG would like to thank the following for their contributions:

- **Sheikh Ali Alwaleed Al-Thani**, Chief Executive Officer, Investment Promotion Agency Qatar
- **Bassel Gamal**, Chief Executive Officer, Qatar Islamic Bank
- **Dr. Gonzalo Castro de la Mata**, Executive Director, Earthna Center for a Sustainable Future, Qatar Foundation

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