Decide with Confidence

# Dun & Bradstreet's
# Business Optimism Index – Qatar
## Sponsored by the Qatar Financial Centre Authority

**Q2 2013**

## Key Highlights

- Non-hydrocarbon sector composite index declines in Q2 2013 after rising for three consecutive quarters; Volume of Sales parameter weighs the most
- Hydrocarbon sector optimism declines marginally; most parameters weigh
- Both the non-hydrocarbon and hydrocarbon sectors have indicated availability of skilled labour as the key challenge affecting business in Q2 2013

## Methodology

### The D&B Business Optimism Index

The D&B Business Optimism Index is recognized as a product that measures the pulse of the business community and serves as a reliable benchmark for investors. The D&B Business Optimism Index is arrived at on the basis of a quarterly survey of business expectations. It is conducted in various countries that D&B operates in. Over time, the quarterly survey has emerged as a leading indicator of turning points in economic activity in these countries.

A random sample is selected from Dun & Bradstreet's commercial database for conducting this survey. This sample is divided into hydrocarbon and non-hydrocarbon segments to eliminate the dominance of the former over the latter and understand their dynamics individually. The hydrocarbon segment includes Qatar's mining, oil and gas companies whereas the non-hydrocarbon segment encapsulates in its purview the following sectors:

- Manufacturing (90 units)
- Construction (110 units)
- Trade & Hospitality (80 units)
- Transport & Communications (65 units)
- Finance, Real Estate & Business Services (115 units)

The sample is a microcosmic representation of Qatar's business community. The survey respondents are asked if they expect an increase, decrease or no change regarding the following parameters: Volume of Sales, Net Profits, Level of Selling Prices, New Orders received, Level of Stock, and Number of Employees.

The individual indices for each of the above parameters are then calculated by subtracting the percentage of respondents expecting decrease from those expecting increase.

Additional poll questions are asked relating to the current economic scenario and are aimed at gauging the business sentiments with regards to several key current issues.

For the purpose of the survey, Q1 is the period between January and March, Q2 is the period between April and June, Q3 is the period between July and September, and Q4 is the period between October and December each year.

## Composite Business Optimism Index

The purpose of the Composite Business Optimism Index is to capture the aggregate weighted behavior of all the six individual indices in the non-hydrocarbon sector. Beginning Q3 2009, D&B has introduced composite indices for all sub-sectors in the non-hydrocarbon segment to allow one indicator to summarize optimism levels in each of these sub-sectors.

## Hydrocarbon Sector

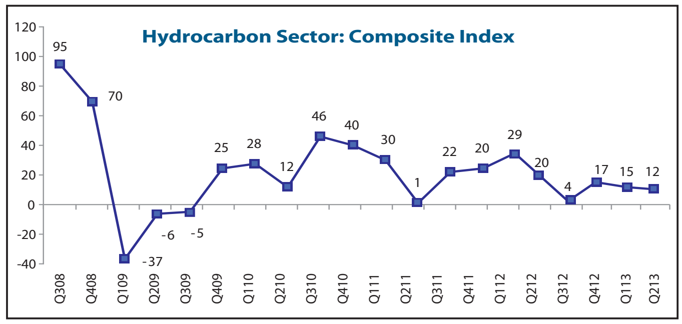
In its April World Economic Forecast, the IMF has trimmed its projections for world economic growth for 2013 due to government spending cuts in the US and continuing economic stagnation in the Euro zone. The IMF reduced its projection for global economic growth to 3.3% from its forecast of 3.5% made in January, while holding out the prospect of relief late in the year. Until now the global economic recovery was characterized as dual speed, but according to the IMF it has now turned into a three speed recovery. The emerging market and developing economies are still going strong, while the US is doing much better than the Euro zone among the advanced economies. The US growth outlook was downgraded to 1.9% from 2%, as the nation copes with across-the-board federal spending cuts to the tune of US$ 85 billion. In 2014, a 3% growth is projected as effects of the federal cutbacks fade and a housing rebound continues to bolster a strengthening private sector. The Euro zone's economy, which in January was expected to contract by 0.2%, is now forecast to shrink by an estimated 0.3%. However, the region is expected to expand slightly next year, growing at an estimated 1.1%. Growth in emerging market and developing economies is forecast to reach 5.3% in 2013 and around 5.7% in 2014. After several years of deflation and little or no growth, Japan's new government has announced a new policy, which will boost growth in the short term.

Subdued economic growth in the current year has led the world's top oil forecasters to cut their 2013 oil demand forecasts. The IEA reduced its forecasts for global oil demand in 2013 for a third consecutive month in April, predicting the weakest consumption in Europe in almost three decades. European demand is expected to slump by 330,000 bpd. Worldwide oil consumption remains supported by emerging economies such as China, where demand will increase this year by 380,000 bpd, or 3.9%, to 10 million bpd a day. The OPEC joined the EIA in lowering 2013 oil demand growth forecast, citing weaker-than-expected oil use in developed economies, particularly Europe, Japan and uncertainties about the outlook for the US economy. A combination of soaring US oil output, sluggish global demand, a slowing of China's recovery and an early resolution of the Iranian crisis could all force down the price of oil.

Qatar's 20-year investment program, which focused on a strategy to commercialize its substantial natural resources, culminated in 2011. The State has placed a moratorium on the development of new hydrocarbon projects until 2015 to give itself time to assess its production performance and carry out a comprehensive study of its North Field. This 'cooling off' period will result in a drop in the growth of the hydrocarbon sector to 0.4% (IMF projection) in 2013.

The mining and quarrying sector grew at 1.7% in 2012 according to the Qatar Statistics Authority. The real GDP of this sector in Q4, 2012 has been estimated at QAR 36.76 bn, which grew just 0.1% above the level of the Q4, 2011 estimate of QAR 36.71 bn. When compared to Q3, 2012, the estimate shows a decline of 2.1%, primarily due to the fall in the extraction of crude oil.

During the first half of Q1 2013, crude was supported by restored optimism about the state of the world economy; however, towards the end of February, the market's upward momentum was hampered due to a loss of confidence in global fundamentals. The average monthly OPEC basket declined from US$ 112.75 per barrel in February to US$ 106.44 per barrel in March. Oil prices are likely to remain flat or fall during the short term as the world economic situation remains weak.

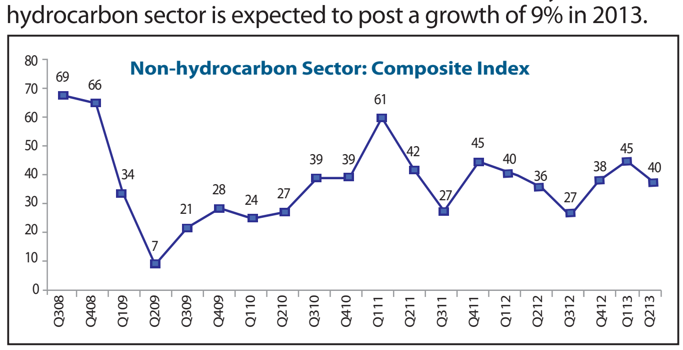



The BOI survey for Q2 2013 reveals that the overall Composite BOI score for the sector has reduced by 3 points in the current quarter mainly due to a sharp fall in Net Profit expectations. The BOI value for Net profits plunged to 5 in Q2 2013, a 15 point drop, from a value of 20 recorded in Q1 2013. The BOI value for the Level of Selling Prices has reduced marginally by 2 points from the preceding quarter to attain a value of 10 this quarter. The only parameter to show an increase is the 'Number of Employees' which has moved to 23 in Q2 2013 compared to 15 in Q1 2013.

48% of the respondents have indicated that there are no negative factors that will hamper business operations in Q2 2013. 20% of the firms have identified fluctuating demand for products and services as a challenge while availability of skilled labour is cited as a concern across 13% of the surveyed businesses. Around 8% businesses in the sector highlighted business regulations (issues in obtaining labour visas) as the key hindrance to the growth of their business. Delay in receiving payments / receivables has been cited as a key concern by around 5% of the total business respondents.

## Non -hydrocarbon Sector

After massive investments in the natural gas sector, the government has now shifted its focus to economic diversification and growth in non-hydrocarbon revenues through targeted infrastructure investments. As emphasized in the National Development Strategy (NDS) 2011–16, total investments are expected to average 27% of GDP per year during 2012–17, predominantly in the non-hydrocarbon sectors. Against the backdrop of the construction boom in 2006–09 and hikes in hydrocarbon production to full capacity in 2011, the real GDP between 2006 and 2011 touched an estimated 18% growth. In 2012, real GDP growth estimated to have stabilized to around 6.2% (Qatar Statistics Authority). This growth came on the back of the non-hydrocarbon sector, led by an 11.8% growth in manufacturing; 10.6% in construction; 12.1% in transport & communications; 11.5% in government services; 7.7% in the trade, restaurants & hotels sector and 6.7% in the finance, insurance, real estate & business services industry. The non-hydrocarbon sector is expected to post a growth of 9% in 2013.



The Composite BOI for the non-hydrocarbon sector has been pulled down by 5 points to 40 in Q2 2013 compared to 45 in Q1 2013 primarily due to a big drop in terms of sales expectations. The BOI for the Volume of Sales parameter has plummeted by 21 points to attain a value of 40 in the current quarter, as compared to 61 in the previous quarter. The New Orders parameter has held steady at 56, while the BOI for the Level of Selling Prices has inched up marginally to 16 in Q2 2013, compared to 13 in Q1 2013. With a dampened sales outlook, the Net Profits parameter stands at 43 in Q2 2013, a decline of 6 points from 49 in the preceding quarter. At 43, the Number of Employees parameter has reduced by 4 points from the Q1 2013 figure.

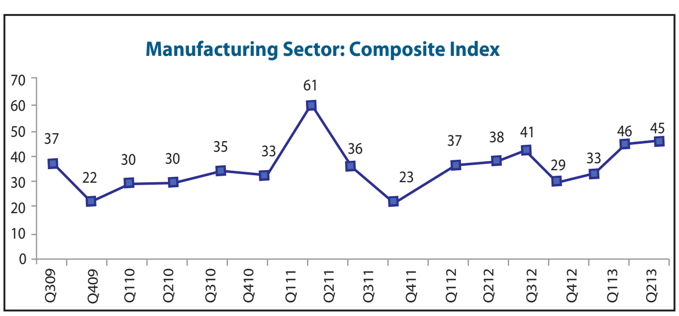
46% of the respondents have cited that they do not expect any negative factors to impact their business this quarter, compared to a corresponding 42% respondent base in the previous quarter. The key factor expected to impact business operations is the fluctuating demand of products and services as indicated by 12% of business respondents. Around 10% cited concerns about the availability of skilled labour, while another 7% each, cited competition and availability of finance as the key challenges, impacting their operations. Further, while around 5% firms expressed concerns regarding the delay in payments / receivables, another 4% indicated inflation as a major concern.

48% of the companies in Q1 2013 had expressed intent to invest in business expansion, while this quarter 44% of businesses are considering expansion plans. Around 31% have not drawn up any plans for expansion, while 25% remain undecided.

## Sector Analysis

### Manufacturing sector

The JPMorgan Global Manufacturing PMI rose to 51.2 in March from 50.9 in February, holding above the 50 mark that indicates a crossover to a trend of growth for a third consecutive month. Higher manufacturing output was underpinned by a further increase in new order inflows and work on existing contracts. International trade volumes also rose during the latest survey period. The US led the global manufacturing output growth league table in March. The rate of expansion accelerated in China, while growth was recorded in Japan for the first time in ten months. Europe remained the main drag on the global manufacturing sector, with output declining in both the Eurozone and the UK.




The manufacturing sector has the most optimistic outlook among all the other sectors for Q2 2013. The optimism outlook for Q2 2013 has remained steady with the composite index down by just a point at 45, compared to 46 points recorded in Q1 2013. The BOI for the Volume of Sales parameter has registered a 6 point decrease this quarter to 58 from 64 in the previous quarter, as businesses anticipate increased competition, fluctuating demand and fewer projects. The BOI score for New Orders stands at 65 in Q2 2013, a 5 point increase over Q1 2013, while the BOI for the Level of Selling Prices parameter has recorded a gain of 6 points to 17 in the current quarter compared to 11 points registered in Q1. The impact of a fall in sales has also marginally affected the net profit outlook. The BOI for Net Profits has dropped by a single point to 48 in Q2 2013 from 49 in Q1 2013. At 38, the BOI for the Number of Employees parameter in Q2 2013 is 8 points below the Q1 2013 figure of 46. The BOI score for the Level of Stock stands at 28 in the current quarter against 27 registered in the previous quarter. Respondents have highlighted weak demand and a dull market as challenges that the sector will have to face this quarter.

Overall, 56% of the respondents in this sector have indicated that there are no negative factors that will impact their business this quarter compared to 39% in the previous quarter. 13% of the respondents have indicated fluctuating demand for products and services as a leading concern while 7% have cited constrained availability of raw materials as the key factor impacting their business operations in Q2 2013. Lack of availability of skilled labour, access to finance issues and inflationary costs are likely to impact around 6% business respondents. Another 3% respondents have quoted other factors such as impact of business regulations, rising costs of leasing and lack of market information as issues impacting business operations in the current quarter, while a similar percentage have cited that competition remains a key cause of concern in Q2 2013.

40% of the businesses have cited expansion plans for this quarter, another 31% do not have envisaged plans for business expansion (versus 21% in Q1 2013) and the remaining 29% remain unsure.

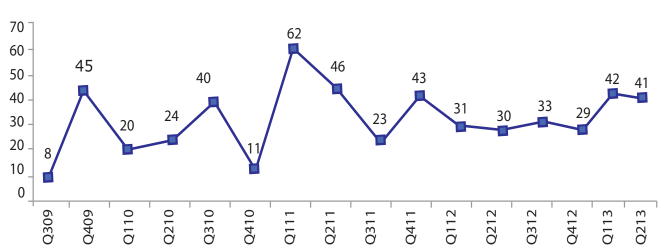
### Construction sector

According to an Accenture report, the global construction industry is projected to grow over the next decade, especially in the rapidly emerging economies of Asia, Latin America, the Middle East, Africa and Eastern Europe. Growth will be driven by urbanization, globalization, infrastructure renewal and the burgeoning needs of developing "megacities," with construction in emerging markets expected to double within a decade. While the slowdown in 2007-09 severely impacted the global construction industry, the effect was not felt evenly. During this downturn, the emerging market construction companies started to pull away from their developed market competitors. Although construction market output has begun to recover, attributed to continued emerging market growth and stimulus packages, emerging-market players remain better positioned to capture demand. In the MENA region, the infrastructure sector is the main component of the construction industry and enjoys the best forecast, primarily against the backdrop of sustained investments in the development of energy and transportation systems.

The outlook for Q2 2013 for the construction sector in Qatar has tracked sideways with respect to the previous quarter. The composite index for the sector is only a point down and stands at 41 in Q2 2013 compared to 42 in Q1 2013. The Volume of Sales parameter stands at 42, 17 points lower than the Q1 2013 figure of 59, as project delays have severely impacted the sales optimism in this quarter. The demand outlook remains steady in Q2 2013; the BOI for New Orders stands at 53 in the current quarter compared to

54 in the preceding quarter. At 23, the BOI for Level of Selling Prices in Q2 2013 is 10 points higher than the Q1 2013 score of 13. At 37, the BOI score for Net Profits stands at the level seen in the previous quarter, while the index for the Number of Employees has logged a gain of 2 points to record a value of 51 in this quarter, compared to 49 in Q1 2013.

**Construction Sector: Composite Index**




48% of the respondents in Q2 2013 compared to 40% in the previous quarter have indicated that there are no negative factors that will affect their business operations. Fluctuating demand for products and services and availability of skilled labour have been cited as challenges by 12% and 11% of the manufacturing firms respectively. 8% of the respondents foresee competition as a challenge in Q2 2013. Another key factor that 6% of the respondents have highlighted is the constrained availability of cheap finance. Around 4% have cited inflationary factors and a similar percentage of respondents have quoted delays in payments/receivables as chief concerns that will affect business operations during Q2 2013.

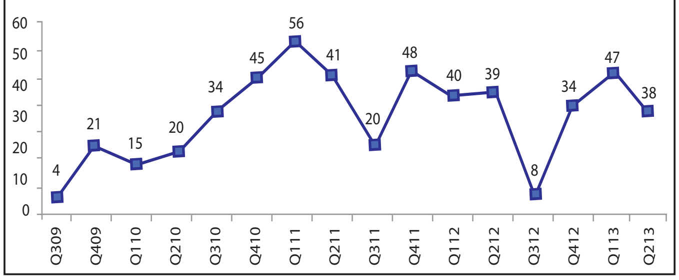
The sector has continued to show optimism with regard to expansionary activities with 47% of respondents indicating that they plan to invest in expansion compared to around 48% in the previous quarter; 21% do not have any plans for investment and 32% remain unsure.

## Trade & Hospitality sector

The recovery in the global retail sector will continue to track global economic recovery. The global retail industry continued to grow in 2012, building on the rebound in growth that started in 2010. The Middle East is one of the world's fastest growing retail environments. It has witnessed a rapid transformation on the back of changing socio-economic factors, infrastructure investment, rising purchasing power, burgeoning oil-wealth and growth in tourism. The hospitality industry also gained traction in 2012, which has positioned it for near-term sustainable growth. Across the globe, an increase in tourism is anticipated in 2013, resulting from the renewed efforts of destination marketing tour operators, the increased use of technology and a growing interest in travel amongst the affluent middle class across various emerging economies. This is further enhanced as major cities continue to invest public funds to improve logistics, railway and airport infrastructure.

The composite BOI for the trade and hospitality sector has witnessed a decline of 9 points to reach a value of 38 in Q2 2013, after ascending for two successive quarters; weighed down by a downward movement in most of the parameters. The BOI for the Volume of Sales parameter and the Level of Selling Prices parameter have fallen to 52 and 4 in Q2 2013 from the previous quarter's scores of 62 and 19 respectively, as businesses have cited competition and uncertain market conditions that will hamper sales volumes and selling prices.

**Trade & Hospitality Sector: Composite Index**



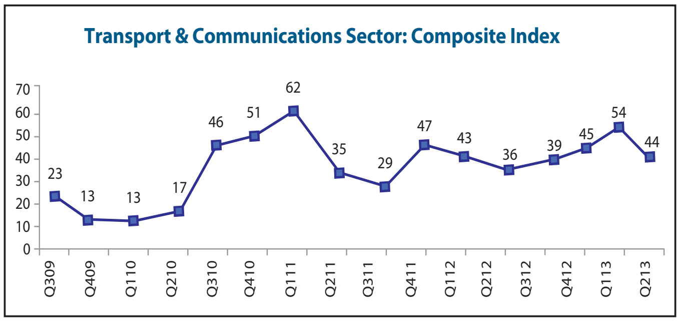

The decline in the sales volumes and selling prices have also lowered profitability expectations; the BOI for the Net Profits parameter stands at 41, down 14 points from the first quarter's score of 55, impacted mainly due to competition, depressed market conditions and reduction in the number of projects. However, businesses are optimistic about their new order book status as the BOI for the New Orders parameter is up 8 points to 55 in Q2 2013 from 47 in Q1 2013. The index for Number of Employees parameter has declined by 12 points to 38 in Q2 2013 from a value of 50 in the previous quarter mainly due to shortage of labour and contract issues. The score for the Level of Stock parameter has declined to 25 in Q2 2013 from 30 in the first quarter against the conditions of an advance booking of stock and uncertainty / fluctuations related to government policies.

41% of the businesses in the trade & hospitality sector do not foresee any negative factors to impact business operations in Q2 2013. Fluctuating demand for products / services is seen as a major concern as cited by 11% of the respondents. Around 10% of the businesses have cited lack of availability of skilled labour while a similar percentage indicated restrained availability of finance as the key hindrances impacting the growth of their business. Another 9% businesses stated other factors such as business regulations and lack of market information impacting their business. Competition is viewed as the next key factor affecting businesses (as cited by 8% businesses). A small proportion (3% respondents) indicated concerns related to delays in payments/receivables in Q2 2013.

Half of the sector respondents in the trade and hospitality sector plan to undertake business expansion in Q2 2013, 34% have responded that they do envisage any investment in expansion, while 16% were found to be undecided on planned expansion in Q2 2013.

## Transport & Communications sector

Despite a downturn in the global economy, the GCC's transportation and logistics sector posted strong growth in 2012, driven by huge investments in infrastructure development and achieving significant economic growth in recent years. While traditionally strong markets in the Americas, Europe and Asia struggle and freight flows among those regions dry up, emerging global locations present new trade opportunities for the Middle East, especially given its location and reputation as a logistics hub. The growth of the transport and logistics sector is closely connected to the economic cycle; when economic activity picks up, demand for transport and logistics services correspondingly picks up. The demand for transport and logistics services also explains the development of new trade corridors to support intra-Asian trade and other regions such as Africa and Latin America.




The composite BOI for the transport & communication sector has declined by 10 points to stand at 44 in Q2 2013 with most parameters weighing on the index. The BOI for the Volume of Sales parameter has declined the most, by a whopping 25 points to a value of 46 in Q2 2013, as most businesses are affected by the prevalence of uncertain market conditions. The BOI for the New Orders parameter has declined by 9 points to 61 in Q2 2013 from 70 in the previous quarter on the back of high transportation costs and uncertainty prevailing in the market. Selling price expectations however have improved with the BOI for the Level of Selling Prices, up by 3 points to 20 in Q2 2013, from a value of 17 in the previous quarter. Profitability expectations have declined 15 points to 52 in Q2 2013, as the pipeline of new orders / projects is observed to be drying up, coupled with uncertainty related to the market scenario. The BOI for the Number of Employees parameter has descended 4 points to 42 in Q2 compared to 46 in Q1 with respondents citing high employee cost and lack of new projects for not increasing head count.

32% of the businesses in this sector do not foresee any negative factors impacting their business operations in Q2 2013. Fluctuating demand for products / services is seen as the biggest challenge by 25% sector respondents. Delay in receiving payments from customers is highlighted as a chief concern by 12% of the sector respondents. Another 11% of the businesses that took part in the survey, have cited competition as the major factor impacting business while an equivalent percentage have quoted lack of availability of skilled labour to be a key challenge affecting business in the second quarter. Around 5% businesses indicated constrained availability of reasonable finance as the major factor expected to impact business operations in the second quarter.

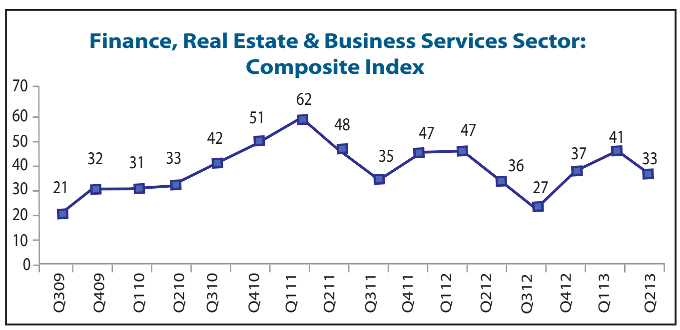
Around 38% of the respondents plan to invest in business expansion, while a similar percentage expressed a negative intent to invest in expanding their operations. Around 24% respondents stated that they were unsure.

## Finance, Real Estate & Business Services sector

According to the IMF, global financial and market conditions have improved appreciably in the past six months, providing additional support to the economy and prompting a sharp rally in risky assets. These favourable conditions reflect a combination of deeper policy commitments, renewed monetary stimulus, and continued liquidity support. Together, these actions have reduced tail risks, enhanced confidence, and bolstered the economic outlook. However, as global economic conditions remain subdued, the improvement in financial conditions can only be sustained through further policy actions that address underlying stability risks and promote continued economic recovery.

The global services sector signalled expansion for the forty-fourth month in a row in March. At 53.4 in March, the JPMorgan Global Services Business Activity Index increased marginally from February's four-month low of 53.2. Expectations of a gradual pickup in global growth combined with highly accommodative monetary policy should support a further modest improvement in global property markets in 2013. A number of housing markets around the world showed signs of stabilization or improvement in 2012, including the US, the UK, Australia and China. Overall, however, conditions remain relatively soft, and some of the hardest-hit markets, including Spain and Ireland, are still under significant pressure.

The composite BOI for this sector has declined by 8 points in Q2 2013 to 33 compared to the previous quarter's score of 41, and stands as the least optimistic among all sectors. The Volume of Sales parameter has declined the most, by 43 points to reach a score of 14 in Q2 2013 from a value of 57 in Q1 2013 amidst strong competitive pressures and an uncertain market scenario. The BOI for the New Orders parameter has dipped 4 points to 49 in Q2 2013 from the previous quarter's level of 53, while the BOI for the Level of Selling Prices parameter has gained 9 points from Q1 to 16 in Q2 2013. The profitability expectations have declined with the BOI for the Net Profits parameter coming in at 41, down 6 points from Q1 as businesses face competition, decreased sales volumes and increasing business costs. The BOI for the Number of Employees parameter has notched up by a point to stand at 44 in Q2 2013.




49% of the respondents in the sector do not anticipate any negative factors affecting business operations in Q2 2013. 13% of the respondents have indicated lack of availability of skilled labour as a concern, while 10% have quoted constrained availability of cheap finance as key challenge that will hamper business in Q2 2013. Competition is cited as a major concern by 8% of the businesses in this sector. Fluctuating demand for goods and services and delays in payments/receivables has been cited as key challenges by a subsequent 6% of the respondents. While 5% of the respondents have indicated other factors such as impact of business regulations, increasing costs of leasing and anomalies in market information as key hindrances impacting their business operations, another 3% businesses have cited inflationary factors as a cause of concern for business.

43% of the respondents plan to invest in business expansion, another 33% have no committed plans to invest, while the remaining 24% respondents remains unsure.

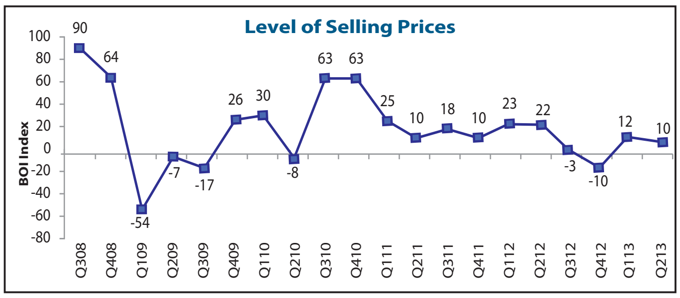
## Appendix

### Hydrocarbon Sector

#### Volume of Sales

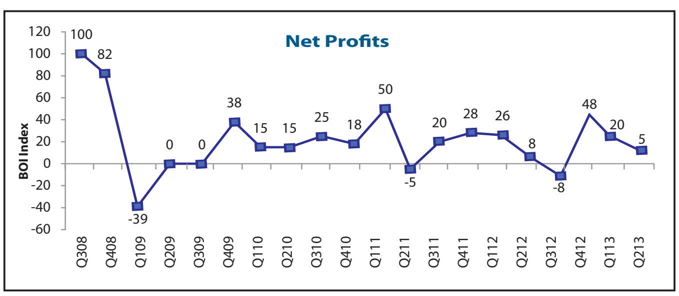
The BOI for the Volume of Sales parameter stands at 23 in Q2 2013, 5 points lower from the previous quarter's score of 28. 47% of the respondents in the sector anticipate no change in the sales volume level, 38% foresee an increase while 15% expect a decline in the same.

#### Level of Selling Prices



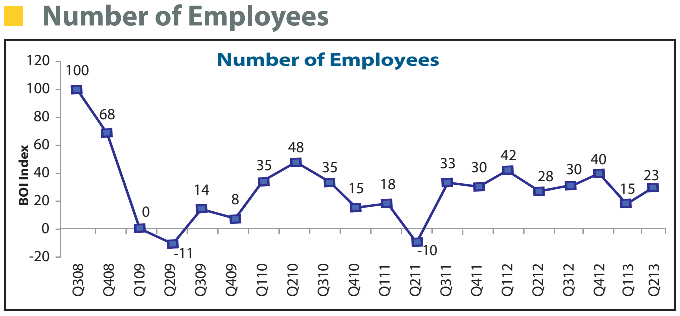

The BOI for Level of Selling Prices has declined by 2 points to 10 in the current quarter. A majority (70%) of the respondents expect no change in the selling price level, 20% anticipate an increase while 10% have said that selling prices will decrease in Q2 2013.

#### Net Profits




The BOI for the Net Profits parameter has declined to 5 in Q2 2013 from Q1's score of 20. A majority (55%) of the sector respondents expect that the profitability outlook will remain intact, 25% expect an increase while the remaining 20% foresee a decline in Q2 2013.

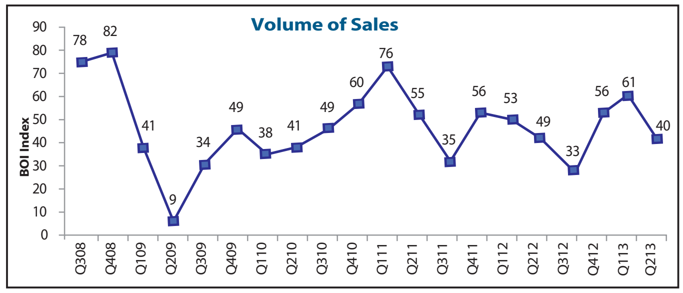
#### Number of Employees




The BOI for the Number of Employees parameter has gained 8 points and recorded a score of 23 in the current quarter. A majority 57% of the sector respondents do not anticipate any change in their head count, 33% foresee an increase while 10% anticipate a decline in Q2 2013.

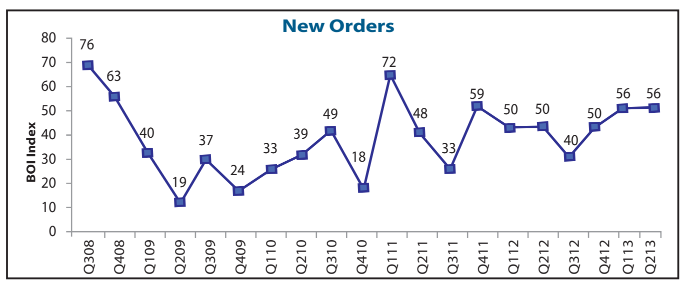
### Non-hydrocarbon Sector

#### Volume of Sales



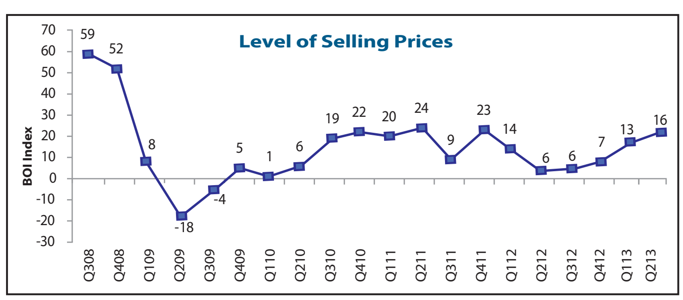

The BOI for the Volume of Sales parameter declined 21 points to stand at 40 in Q2 2013. Overall, a majority (53%) of the non-hydrocarbon sector respondents anticipate an increase in their sales level, 34% foresee no change while 13% expect a decline in Q2 2013.

#### New Orders



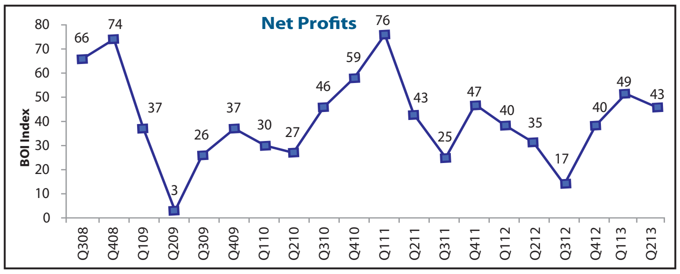

The BOI for the New Orders parameter remains steady at 56 points in the current quarter. 62% of the sector respondent expect an increase in their order book status, 32% foresee no change, while the remaining 6% expect a decline in Q2 2013.

#### Level of Selling Prices



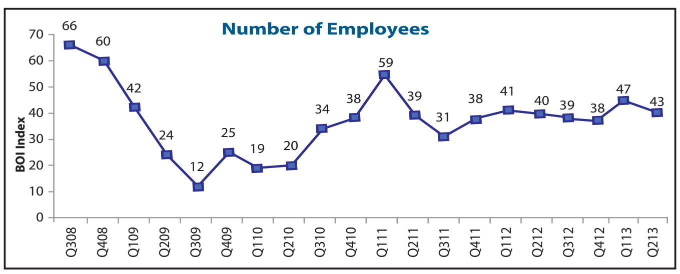

The BOI for the Level of Selling Prices parameter climbed to 16 this quarter from a score of 13 in the previous quarter. A substantial 62% of the non-hydrocarbon sector respondents expect prices to remain the same, 27% expect an increase while 11% foresee a decline in Q2 2013.

## Net Profits



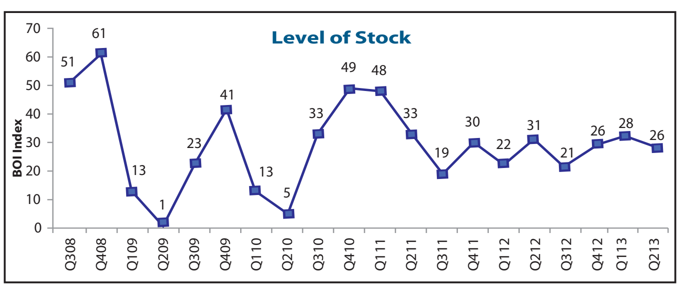

The BOI for Net Profits parameter has declined to 43 in Q2 2013 from the previous quarter's level of 49. More than half (55%) of the sector respondents anticipate profitability to improve, 33% foresee no change while 12% expect their profitability levels to decrease in Q2 2013.

## Number of Employees




The BOI for the Number of Employees parameter has dipped by 4 points to stand at 43 in Q2 2013 from 47 in the previous quarter. Out of the total respondents, 48% have said that they will increase their employee count, 47% foresee no change while the remaining 5% expect the employee count to decline.

## Level of Stock

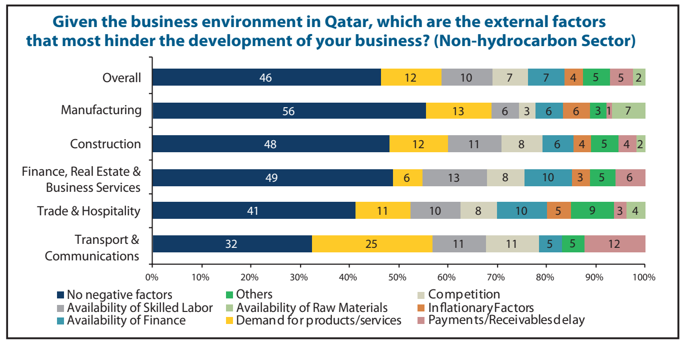



The BOI for Level of Stock has slipped by 2 points to 26 in the current quarter compared to 28 in the previous quarter. Most of the respondents (62%) expect inventory levels to remain intact, 32% expect an increase while 6% anticipate a decline in Q2 2013.

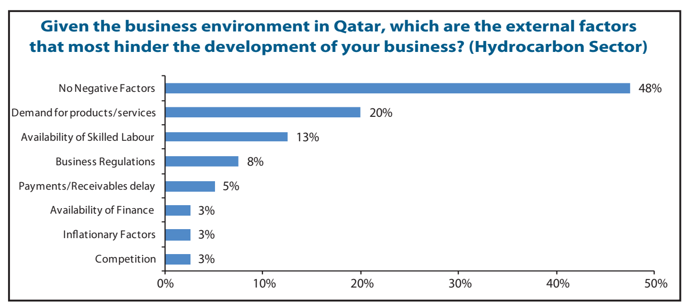
# Business Issues

## Factors impacting business

46% of the respondents in the non-hydrocarbon sector do not anticipate any negative factors to hamper business operations in Q2 2013. 12% have cited fluctuating demand for products / services while 10% of the businesses are concerned regarding the lack of availability of skilled labour. 7% of the respondents have indicated competition as a key challenge while a similar percentage has highlighted constrained availability of finance as a major concern. 5% of the non-hydrocarbon businesses anticipate to be influenced by delay in payments / receivables whereas 4% have indicated that inflationary factors would impact business in Q2 2013.

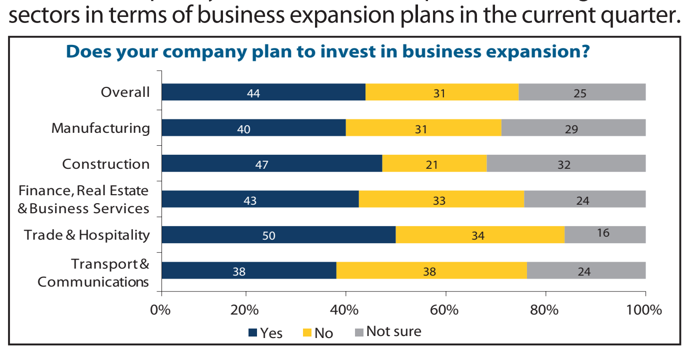



48% of the respondents have indicated that there are no negative factors that will hamper business operations in Q2 2013. 20% of the firms have identified fluctuating demand for products and services as a challenge while lack of availability of skilled labour is a concern for 13% of the businesses. 8% of the hydrocarbon businesses have highlighted business regulations (issues in obtaining labour visas) as the key hindrance to the growth of their business while delay in receiving payments / receivables has been cited by 5% of the respondents as a key concern. Around 3% (each) of the business respondents expressed concerns regarding the availability of cheap finance, impact of inflation and competitive pressures.




## Investment plans

44% of the non-hydrocarbon sector respondents have expressed that they will invest in business expansion in Q2 2013. Another 31% reported that they will not invest in business expansion in Q2 2013, while 25% respondents stated that they were unsure. The trade and hospitality sector is the most optimistic among the sub-sectors in terms of business expansion plans in the current quarter.



## About Dun and Bradstreet (D&B)

Dun & Bradstreet (NYSE:DNB), the world's leading source of global business information, knowledge and insight, has been enabling companies to Decide with Confidence® for more than 170 years. D&B's global commercial database contains more than 200 million business records. The database is enhanced by D&B's proprietary DUNSRight® Quality Process, which transforms the enormous amount of data collected daily into decision-ready insight. Through the D&B Worldwide Network - an unrivaled alliance of D&B and leading business information providers around the world-customers gain access to the world's largest and highest quality global commercial business information database.

Customers use D&B Risk Management Solutions to mitigate risk, increase cash flow and drive increased profitability, D&B Sales & Marketing Solutions to analyse markets, locate prospects and increase revenue from new and existing customers; D&B Export Marketing Solutions to gain significant insight into overseas markets and increase sales; D&B Financial Education Solutions to facilitate professional growth and excellence among their executives and D&B Economic Analysis Group to derive pragmatic and solution-oriented analyses of strategic economic and business developments, thereby aiding informed decision making.

D&B features on FORTUNE Magazine's Most Admired Companies Industry List, ranking first in the Financial Data Services category. D&B ranked first in the areas of employee talent, financial soundness, long-term investment, quality of management and use of corporate assets. D&B has achieved this distinction for the second consecutive year.

## About our partners

### Qatar Financial Centre

The Qatar Financial Centre(QFC) is a financial and business centre established by the Government of Qatar and located in Doha. It has been designed to attract international financial services institutions and major multi-national corporations in particular those operating in the reinsurance, captive insurance and asset management sectors and to encourage particular in the growing market for financial services in Qatar and elsewhere in the region. The QFC operates to international standards and provides a first class legal and business infrastructure for those operating within the QFC. The QFC was created by Qatar Law No. (7) and has been open for business since 1 May 2005.

### QFC Authority

The QFC Authority is the commercial, administrative and legislative body responsible for leading the expansion of Qatar's financial services sector, providing a uniquely sustainable platform for regional growth in reinsurance, captive insurance and asset management.

**Dun and Bradstreet South Asia Middle East Ltd.**
Mr. Rajesh Mirchandani
Chief Executive Officer
Dubai International Financial Centre
PO.BOX-506511
Dubai, UAE
Tel: +971 4 3695700
Email: eag@dnbsame.com

**Qatar Financial Centre Authority**
Mr. Yusuf Jehangir
Head of Marketing and Corporate Communications
Tel: +974 44967784
Fax: +974 44967669
y.jehangir@qfc.com.qa
www.qfc.com.qa