

Results of Global Economic Recovery Study as it pertains to UAE & Saudi Arabia

31st December 2009, Dubai, UAE

On the eve of the new decade, research results have been released to show that 2010 is expected to bring cheer to the UAE; the economic recovery is expected to start in the last quarter of 2010 and fully recover in the second quarter of 2012. Research conducted by the Dubai based market research company Real Opinions, emphatically shows that according to consumer opinion in the UAE, there has been an economic downturn for the vast majority of residents. Just 15% in the UAE believed there is no economic downturn.

Whether directly impacted by, or adopting a cautious attitude due to fear of the economic downturn, average household expenditure is said to have decreased

- 7 in 10 UAE residents spent less equating to a
- 26% decrease in average household expenditure in a typical month
- 1 in 4 UAE residents claim to not have been impacted
- 19% reported no change at all and
- 6% actually increased expenditure.

Dan Healy, CEO of Real Opinions who conducted the research, added "Back in April 2009 we reported that UAE expatriates predicted a recovery starting in the UAE by November 2010 and these latest research results back this up. Optimism back then emphasized the expectation that the UAE would be the quickest to recover globally. However, the property market is expected to play a key role in damping this look forward as 7 in 10 who invested in property claimed at the time to be in negative equity and this situation doesn't seem to have improved much since then."

The contentious role of the media in reporting on the economic crisis, was considered and

- 1 in 5 (21%) in the UAE believed that reporting was balanced
- 4 in 10 (42%) felt it was talked down and the issue under played
- Just 3 in 10 (31%) believed it was talked up, making the situation worse.

Healy further commented, "Media and in particular the Internet play a key role in the dissemination of information (whether objective, well researched or perpetuating rumours) which in particular can impact upon consumer opinion on subject matters which might be out of their comfort zone (e.g. such as the intricacies of the global finance industry and economics).

Our past research has shown consumers tap into a multitude of traditional and new media sources to understand situations better. The majority of their opinions sit in the middle of all these perspectives and most importantly reiterate their own economic reality. We believe our research results serve the purpose of doing exactly that, reflecting the reality of residents in these countries. An increase in consumer confidence and in turn expenditure can be one of the key drivers to a recovery and this research shows when this might be."

The results in the countries surveyed show that this is a global economic downturn uniting them all. Other highlights include Saudi Arabia which reported the least impact upon average household expenditure with 53% claiming a decrease. However, a disparity seems to be opening up as those who did report a decrease reported the largest drop in household expenditure of all the countries surveyed with a 28% decrease. In contrast, there were 38% who reported either an increase (15%) or no change (23%).

In the first half of 2010, Real Opinions will be conducting workshops in Dubai to assist organizations with effective decision making, harnessing digital opportunities and integrating innovation onto their organizations. Healy added, "We hope these research results will help build confidence for consumers and help organizations to make better decisions leading up to the expected recovery'. A full report of these survey results for each country is available from Real Opinions.

Research Methodology

The research was conducted using an online research methodology in each of the countries. The number surveyed in each country was All (1,568), UAE (306), Saudi (257), UK (213), USA (253), Russia (354) & Germany (185). At a total level, the margin of error of results is calculated at approximately +/- 2.5% with a CI of 95%.