Potential impact of COVID-19 on the Qatar economy

May 2020

KPMG in Qatar

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Foreword

At the time of writing, the novel coronavirus (COVID-19) pandemic has infected over 3 million people in more than 200 countries[1] – posing an unprecedented challenge to humanity. Things that we previously took for granted – how we live, work, do business, connect with friends and family, and even wash our hands – have all come into sharp focus as the world races to combat this deadly disease.

Qatar reported its first case of COVID-19 on the 29th of February and responded quickly to enforce social distancing and widespread testing. The prompt and rigorous approach adopted by the State has, so far, helped to manage the spread and mitigate the impact on the healthcare system. Mortality rates have been relatively low in comparison to other countries with similar rates of infection.

While the health and wellbeing of citizens and residents has been at the heart of Qatar's response to COVID-19, the State has also taken measures to secure its economy. The Qatar Central Bank declared a QAR 75 billion ($20.5 billion) stimulus package to the private sector, which will provide much needed relief to various sectors that underpin the economy.

This report provides an overview of the current impact on key sectors of Qatar's economy, which have been affected in different ways. Sectors such as tourism & hospitality and brick-and-mortar retail have been severely impacted by the restrictions on travel and social distancing measures put in place. The energy sector, already reeling from the drop the oil prices, is dealing with the prospect of lower demand, while financial services contend with liquidity pressures and revenue compression.

Other sectors, such as education, have had their entire delivery models challenged, while telecom, media and technology, have experienced growing demand from businesses and consumers.

The pandemic has also highlighted the importance of digital innovation as part of building resilience and meeting the needs of the future.

It will be some time before we know the full extent of the impact of COVID-19 on the global economy. However, it is already clear that the world has changed, and we are embarking on a new normal.

The human spirit enables us to overcome adversity, and we are confident that we will become stronger through this crisis and better prepared to tackle the future.

Ahmed Abu-Sharkh

Country Senior Partner
KPMG in Qatar

(1) https://www.who.int/emergencies/diseases/novel-coronavirus-2019 accessed on 30 April 2020

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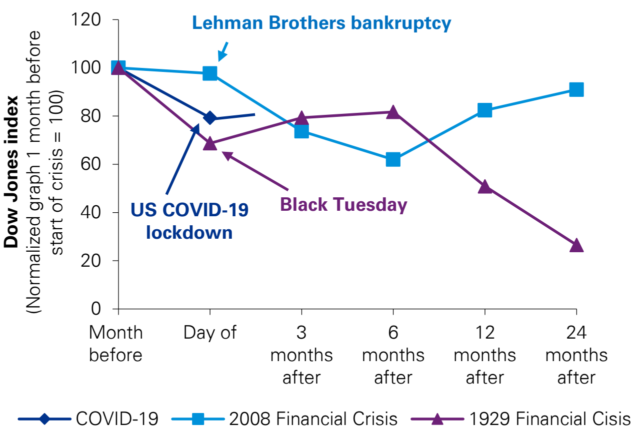
Economic Impact

Overview of Covid-19 Impact Globally

On the 29 February, 2020 Qatar reported its first case of the new coronavirus (Covid-19) and became part of a growing number of countries in which economic and social life would change radically. The impact of Covid-19 is being reassessed on a daily basis, and most analysts agree that it will have a major effect on most businesses, which will be reflected in the GDP over the next couple of years.

According to the United Nations and the World Bank, the global GDP is expected to drop by 1 to 2% in 2020. Companies dependent on imports or exports will be impacted even further by the disruption in supply chains. The WTO expects global trade to fall by 13% to 32% this year. Longer-term changes can be expected, as countries assess ways to become more resilient to similar events in the future. This will likely include adaptations to supply chains and greater use of technology in communications and production.

Financial market reaction to crisis events



Source: Bloomberg, KPMG Analysis

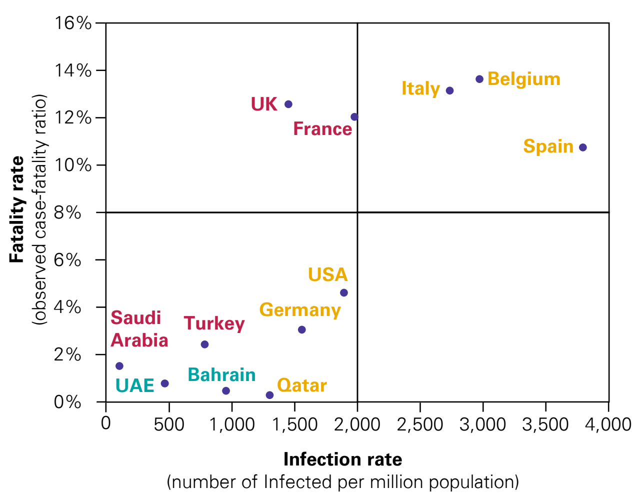
The initial reaction of the market so far has been similar, as illustrated in the graph above comparing the Dow Jones stock exchange index drop during those crises. In 2008, the market had mostly recovered after 2 years, which might be seen as an optimistic outcome for the current crisis. How Covid-19 will compare with those other events in the longer term is still to be seen. But in case it mirrors 1929 financial crisis, the world economy will suffer a much wider impact and will linger for a longer period of time.

Previous global crisis events brought not only economic but also political turmoil. In 2007, mortgage defaults in American suburbs triggered the bankruptcy of Lehman Brothers, leading to the world's worst financial crisis since the Great Depression and arguably the creation of the Tea Party and Occupy Wall Street movements in the US. The 1929 stock market crash in New York triggered a collapse of global trade by 65% contributing to the rise of fascism in Europe.

Covid Impact on Qatar

While Qatar has been impacted by the new coronavirus, it seems to be weathering the storm better than many other countries. The rate of infection in the country is similar to Germany and the UK, but this has so far not been translated into a high mortality rate.

Infection rate x Mortality rate – selected countries



Testing Comprehensiveness[a]
(tests per million population)

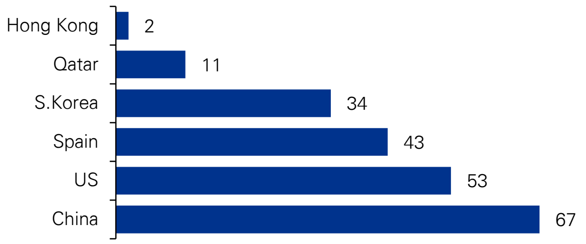
x – More than 40
x – 10-40
x – Less than 10

(a)Note: As per Apr 17, 2020
Source: John Hopkins University, KPMG analysis

There are at least three key factors that contributed to Qatar's relatively better outcome so far, including: 1) its enforcement of social distancing; 2) its young population; and 3) a capable healthcare system.

1. Enforcement of Social Distancing

# of days to declare emergency after first case

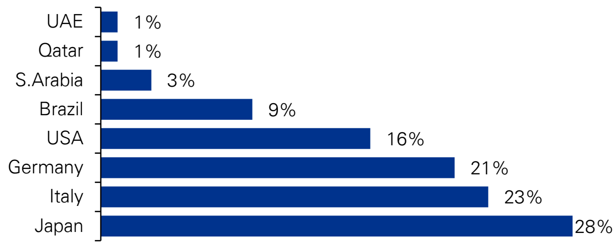


Source: KPMG Analysis

Qatar adopted a prompt response to the coronavirus threat with the enforcement of social distancing and widespread testing.

2. Favourable demographics

% of population aged 65 or more

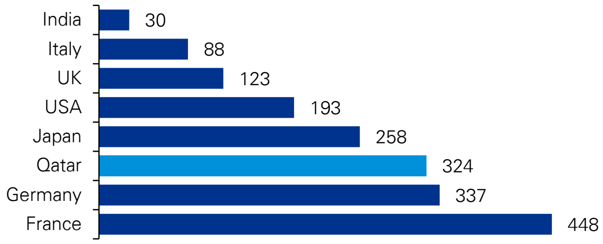


Source: World Bank, KPMG analysis

Qatar's population aged 65 and over is low indicating a reduced risk of deaths.

3. Capable Healthcare System

Respirators per million people in selected countries

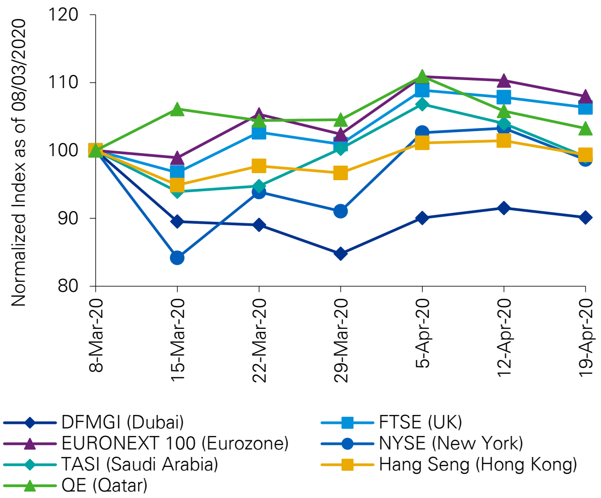


Source: Data from regional health agencies, John Hopkins

Qatar benefits from a well supported health care system in comparison to other affected countries

The business sentiment has also been less adverse in Qatar companies, as reflected in the drop in the local stock exchange index (see graph below), compared to other markets. This is partly due to limited presence of external investors and a QR10 billion government backstop for the stock market. The government also offered a stimulus package of QAR 75 billion to assist small business and hard-hit sectors.

Comparative drop in stock exchange indexes (Jan 01 to Apr 15, 2020)



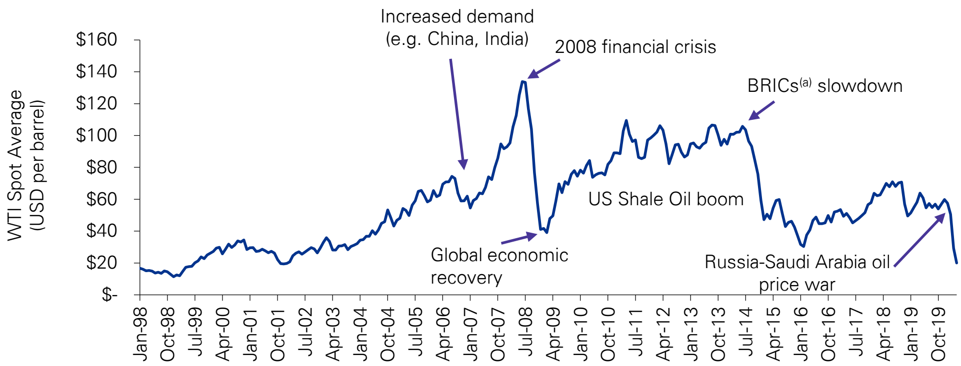
Source: Bloomberg, KPMG analysis

The recent upgrade by Moody's of Qatar's rating to 'Aa3' with a 'stable' outlook in April 15 is also a sign of a resilient economy.

Impact on Oil & Gas and Other Sectors

As with other major oil & gas exporting countries, Qatar will certainly witness a significant reduction in the demand for its hydrocarbons. The OPEC expects the demand for its crude to drop to its lowest in 30 years (see graph below). This has led oil prices, which were already sliding for the last 6 years due to a slowdown in China and other developing economies, the greater competition from shale oil in the US and more recently the Russia-Saudi Arabia oil price war, to suffer its greatest slump ever. With no place to store it, US crude oil futures traded at a negative value

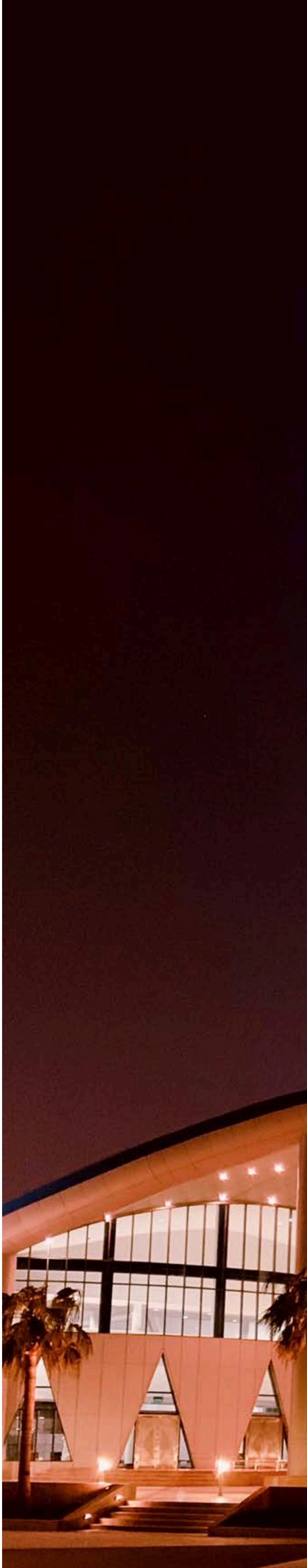
Price of crude oil (2005 – 2020)



Note: (a) Brazil, Russia, India and China
Source: Bloomberg, KPMG Analysis

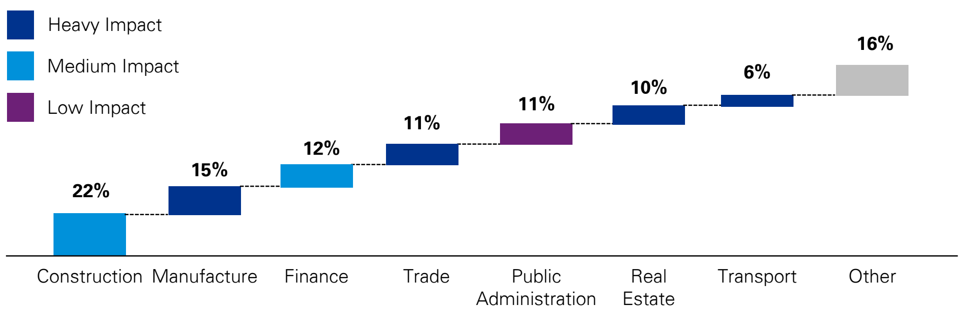
The decrease in oil prices is also causing natural gas prices to fall, given energy demand as a whole is being impacted. Exports of LNG to China are being allocated to new buyers to absorb the additional supply that has come online in the last few years.

Low oil and gas prices, lockdown and the restriction to mobility across countries will delay several oil and gas upstream projects. New projects were already being delayed due the low gas prices amid a growing glut.



Non-hydrocarbon sectors are likely to be struck at different levels of intensity in Qatar, depending on how they have been impacted during the lockdown period and their dependency on global trade. The graph below shows Qatar's main industries (excluding hydrocarbons) and the level they are expected to be impacted in the short term.

Share of Non-hydrocarbon GDP and Expected Level of Impact from Coronavirus by Sector (2018)



Source: PSA, KPMG Analysis

Manufacture and trade are being strongly affected by the lockdown with significant reduction of activities and major cash flow constraints. According to the community data collected by Google on Qatar, the movement of people dropped by 63% around retail & recreation areas and 35% for grocery & pharmacy.

The **transportation** sector as a whole witnessed a significant reduction in the movement of people and merchandise, while aviation came to an almost standstill. According to a Google data analysis on Qatar, the movement of people dropped by 60% around public transport hubs.

Construction in the private sector construction projects has been greatly affected by the coronavirus. Government projects mostly related to World Cup (stadium completion, Ashghal road projects) are ongoing but pace seems to be affected.

The **financial services** sector is better shielded than in the 2008 financial crisis by stronger capitalization, a wider use of digital solutions and their expected role in transferring money from the government to distressed companies.

For the **real estate** sector, retail and hospitality assets will be very highly affected, whereas for residential and commercial assets the impact is low on the short term (no leases have been foreclosed, no offices are closed – only quoted rents have fallen for new tenants).

Public administration should be less affected as the government is expected to continue to support it.

Scenarios

Four potential scenarios for the outcome of the coronavirus crisis have been analyzed. In all cases, the global GDP growth rate for 2020 is expected to drop, by -1.5% in the most optimistic scenario where the lockdown is phased out over summer, to -11.5% in a scenario where the return to normalcy would happen only in 2023.

	Scenario 1 'Base'	Scenario 2 'Winter Return'	Scenario 3 'Optimistic'	Scenario 4 'Pessimistic'
Assumptions				
Lockdown	Ends by summer	Ends by summer, returns in winter	Full end by summer	Remains for 1 year
Social Distancing	Remains for 6 to 12 months	Remains 12 months	Phased out over summer	Remains for 12 to 18 months
Global Travel	Restricted	Restricted	Close to normal	Restricted
Winter Outbreak	Manageable	Not manageable	Less likely	Not manageable
Business & Trade	Home-working remains	Home-working remains	Back to normal	Home-working remains
Possible Health Drivers				
Testing	Widespread testing	Widespread testing in some countries	Widespread testing in some countries	Countries cannot test all suspected cases
Immunity	Better contact tracing	Tests show small % of population are immune	Large % of population are immune	Limited visibility on who is immune
Warmer Weather	Case growth drops	Case growth drops but returns in winter	Case growth drops greatly	Growth drops slightly and returns in winter
Vaccine	Progress with 2021 target	Progress with 2021 target	Developed and produced sooner	Unavailable to masses for 12-18 months
Care Capacity	Critical care surge capacity increases	Capacity increases but not enough for second wave	Capacity increase not required as large % of population are immune	Critical care capacity not sufficient
Outcomes				
Global Oil Demand	Decline of 90,000 barrels per day	Decline of 175,000 barrels per day	demand grows by 480,000 barrels per day	decline of 730,000 barrels per day
GDP Growth 2020[(a)]	(3.8%)	(5.9%)	(1.2%)	(11.5%)
Back to normal by	2022	2022	2021	2023
Economic Recovery	'U' shaped	'W' shaped	'V' shaped	'L' shaped

Note: (a) Weighted average GDP growth has been calculated by taking an average of forecast growth for the USA, Eurozone, China, Japan and the UK from ING data

Source: KPMG Analysis, ING Article 2020, IEA Publication 2020

Sectoral Impact

Tourism and Hospitality

Tourism and Hospitality

Sector overview

Tourism

- Since the 2017 blockade, Qatar has taken measures to boost its tourism industry, including incentives given by Qatar Airways, organizing international sporting and other events, and upgrading the tourism product through the construction of more luxury hotels and the completion of infrastructure projects in the country.
- According to the Planning and Statistics Authority, the number of people visiting Qatar in 2019 was 2.14 million (2018: 1.82 million) representing an increase of approximately 17%. Doha Port hosted 57 cruise ships in 2019 carrying 127,582 passengers, an increase of more than 98% from year 2018.

Hotel & Hotel Apartments

- In 2019, Qatar had a total accommodation offering of 27,261 rooms across 130 properties, 24,562 of which are hotel rooms and 2,699 of which are hotel apartments.
- Room supply from properties under development is set to increase significantly in the coming years, with 107 projects (comprising an estimated 21,500 rooms) under various stages of development, as well as other project proposals under consideration.

Challenges

Parameters	Low	Med	High	Comment
Tourism			✓	— With the closure of airports around the world and suspension of flights, it is expected that visitor arrivals into Qatar will decline substantially, adversely impacting the hospitality industry.
			✓	— International travel is expected to be affected for some time after the lifting of the COVID-19 lockdowns citing the psychological impact of social distancing. Also, Qatar Airways (main carrier for inward and outward travelling into and out of Qatar) is expected to contract substantially with many international routes cancelled. Furthermore, airline fares are expected to hike due to restrictions likely to imposed on airline capacities leading to a contraction of international travel. That would adversely impact leisure tourism as well as business travelers visiting Qatar due to contraction of economic activity and probable cancellation of projects and international events.
			✓	— One of the industries significantly affected by the COVID-19 are the cruise liners. Many cruise line companies are expected to face going concern issues.
Hotel & Hotel Apartments			✓	— Substantial decline of visitors into the country means occupancy rates will plunge and probably ARRs will come under pressure. These will remain substantially low even after the end of COVID-19 lockdowns as it is expected that people will need to regain trust in international travel. It is also expected that, given the psychological impact on people of distancing policies during the COVID-19 lockdowns, it will take some time until people are comfortable booking hotel accommodation.
			✓	— Disposal incomes particularly of expats within Qatar will reduce and likely losses of jobs in the Qatari market, especially those with high incomes, will mean that the capture market for hotels and restaurants will have a haircut.
			✓	— The hotels will also lose substantial revenues from organized events. In particular, the upcoming Ramadan functions at hotels will not happen. In the long-run business travel is expected to reduce and be substituted with tele-conferencing where possible; this seems to have been tested during the COVID-19 period and found to be a good substitute.
			✓	— Hotels and apartments will face liquidity problems, and will try to manage their costs. In this respect, we will probably see cuts to salaries, layoffs of non-core staff, and suspension of future non-vital expenditure.

Opportunities

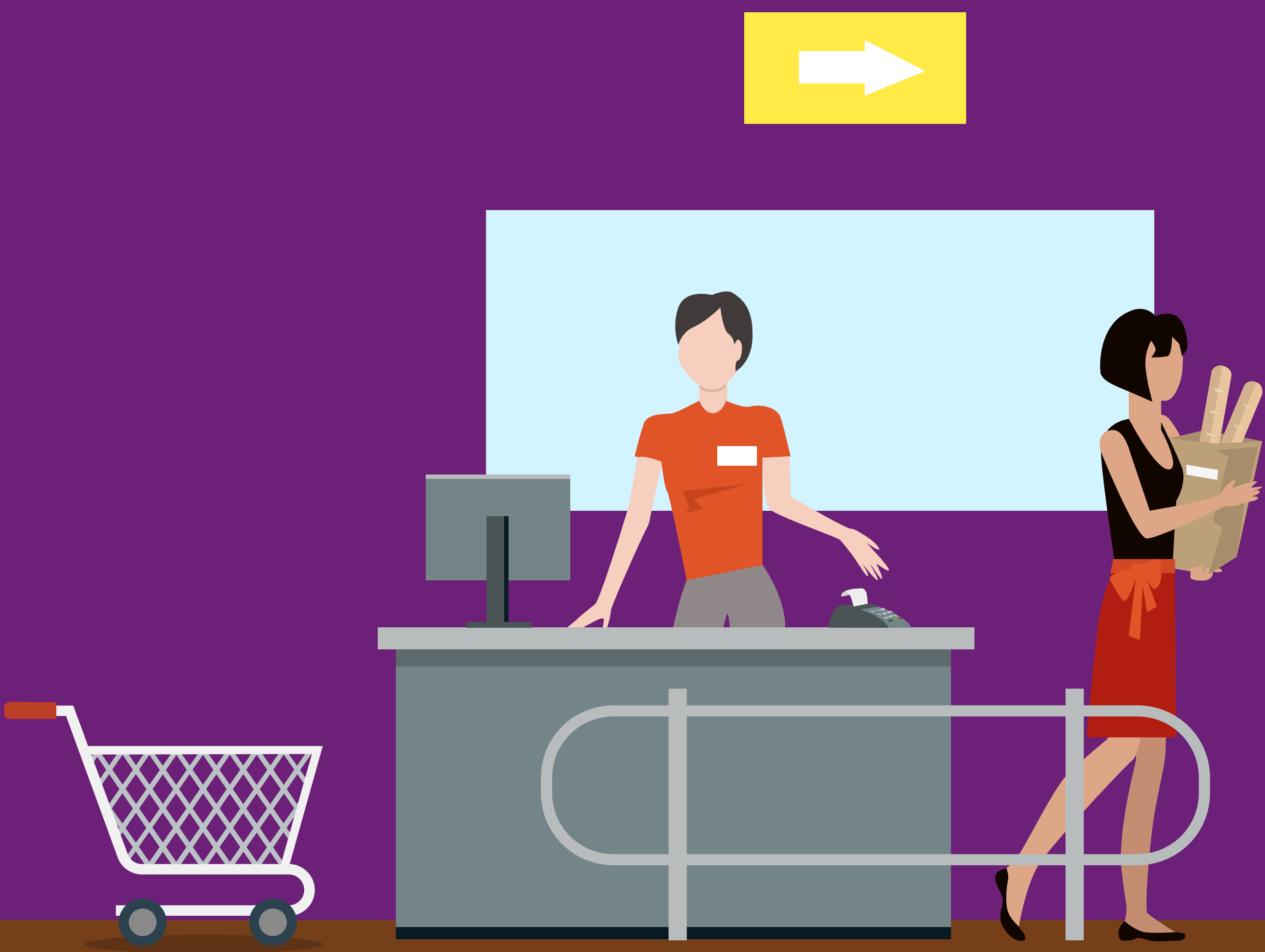
Parameters	Low	Med	High	Comment
Tourism			✓	— The upcoming FIFA 2022 event could give a significant boost to the industry from the beginning of year 2022, unless the Coronavirus situation on the world stage continues into late 2021. In that case, we may see a delay in the commencement of recovery of the industry.
Hotel & Hotel Apartments		✓		— A pivotal role during the COVID-19 period and the aftermath will be the support to be provided by the State of Qatar. Currently, we have had announcements by the government stating that QAR 75 billion, along with a series of other measures, will be allocated to support the private sector. That would definitely help the hospitality sector to remain in business during the short term.
			✓	— Support of the banking sector to the economy, and to the hospitality sector in particular, will also play a critical role. Suspension of loan installments in the short-term and provision of low-interest rate loans in the medium term is crucial for the future of the industry.
		✓		— The upcoming projects, which are under consideration or design, will probably be postponed until there is better market visibility. FIFA 2022 remains in sight and the government may push many of these projects from that perspective through measures which will sustain new investments.

Key recommendations

Stakeholder	Short term	Medium to long term
Developers	— Deferring existing commitments to ease the immediate cash flow pressure — For under construction developments, assess potential value engineering options through alternative materials, space redesign, etc. to reduce the budgeted CAPEX — Renegotiate contract terms with suppliers, lenders and other service providers	
Regulators	— Offer liquidity support to the system — Waive/defer fees and other government levies — Back lenders to ease ongoing financial impact	— Review lending/collateral norms — Introduce international valuation norms from LTV assessment standpoint
Customers	— Hotel operators should consider lenient customer policies for date change, cancellations and waivers during this period.	— Qatar Airways has already initiated providing a travel voucher as well as free of charge date changes for booked tickets. If required, the validity of the travel voucher may be extended further to accommodate the uncertainty.

KPMG

Retail



Organized and Unorganized Retail

Sector overview

Organized Retail Sector

— Rental trends in the organized retail sector in Qatar has historically remained stronger as compared to other core real estate segments.

— Total stock of organized retail is estimated to be approx. 2 million sqm of leasable area and was expected to reach approx. 2.67 million sqm by end of 2020. This organized retail leasable space amounts to 0.74 per capita and 1.81 per household, making it one of the highest in the region.

Total Retail Sector & its contribution

— Retail sector in Qatar is made up of approx. 10,500 establishments comprising of both retail and wholesale units. It is managed by a workforce in excess of 210,000.

— Contribution of retail and wholesale trade to overall GDP is approx. 7-8%. Retail and wholesale trade have grown at CAGR of 4.2% over the past 6 years and was estimated at QAR 172.5 bn at the end of 2019.

Potential impact on the sector

The retail revolution in Qatar started post the 2006 Asian Games. Today, we have more than 25 retail malls, several high street retail neighborhoods and shopping complexes spread across the country. With limited congestion, excellent road infrastructure, peaceful living environment, high penetration of personal vehicles, easy access to transport; consumers have always preferred to step out of their dwellings and pay a visit to any of such establishments, not only to satisfy their shopping needs but also their recreational needs. However, now it seems that this landscape is about to change. The ongoing pandemic has restricted such free movement of families and most of them are forced to use online shopping options, even though essential retail is still open for business. This has a potentially huge impact, as it possesses the power to change the consumer’s shopping behavior fundamentally. Such a development may bring transformational change in the retail sector including supply chain, operations, procurement, marketing, workforce capabilities and competencies, etc.

In the current environment, challenges for the retail sector lies in managing the debt burden, cash flow management, supply chain, maintaining health, safety and hygiene standards for both consumers and staff, deliveries to the doorstep and adapting to expected change in consumer behavior and preferences in the future.

Challenges

Parameter	Low	Mid	High	Comments
Retail Malls			✓	— Retail malls are facing difficulties as the countermeasures of the pandemic has led to closure of all stores (with a very few exceptions such as pharmacies, supermarkets, etc.).
			✓	— As most of the retail properties in Qatar are new, they are highly leveraged . This leaves mall owners with limited capacity to provide rent relief to tenants. A few malls have extended such support, but, unless they receive Government support, this will be difficult to sustain.
		✓		— Post COVID 19, it may be a necessity to obtain some form of a green certification implying that the mall is "fit to use" for consumers and also maintaining health, safety and hygiene standards.
Retailers & Wholesalers		✓		— Food retailers are not facing significant demand issues but ensuring regular supplies remains a concern. Qatar has successfully overcome similar challenges during the blockade, and had already established a strong supply chain network. This preparation has allowed food retailers to effectively manage supply chain challenges during the current pandemic.
			✓	— Non-food retailers are likely to face challenges with the aging of retail stock, which they may have to offload at high discounts once the pandemic situation stabilizes.
			✓	— There is a significant impact on the cash conversion cycle of non-food retailer's in the short term and a corresponding reduction in their capacity to arrange for new stock.
				— It is estimated that it may take between six months to a year for retailers to revive from this disruption. Large retailers may be at an advantage as their overall cost per sq m is generally lower than small and unorganized retailers.
Retail Supply Chain		✓		— Retail supply chain for essential food products has not witnessed a notable impact so far, except for an extremely brief period when residents began stockpiling post announcement for businesses to shutdown.
	✓			— Qatar has achieved self-sufficiency in most of the essential products of daily use including milk and several other perishables. Further, its supply chain is extremely well diversified (strengthened during the blockade) leaving a remote possibility for disruption. The supply chain is well supported by a strong logistics infrastructure powered by the new Hamad Port at Mesaieed and Qatar Airways Cargo service.
	✓			— Non-Food retail supply chain is not a concern at this stage as most of the stores are closed, however, issues such as goods en-route for delivery are expected to see some delays.
		✓		— Although not impacted to date, in the event of prolonged business closure and reduction of the workforce, some logistical challenges may emerge.

Organized and Unorganized Retail (cont.)

Challenges (cont.)

Parameter	Low	Mid	High	Comments
Retail Workforce			✓	— Retail businesses employ a sizeable workforce. Government has announced a QAR 3bn package, where it will support private organizations to pay salaries to their employees for a 3 months period. Whilst these measures mitigate the short-term challenges, the situation may become difficult to manage if the pandemic duration becomes prolonged. Non-food retailers remain the worst hit where staff utilization has been decimated.
		✓		— Keeping staff engaged and motivated is likely to become a challenge as may limiting any loss of talent/capabilities which would be required post COVID 19.

Opportunities

Parameter	Short	Mid	Long	Comments
Online Retailing	✓			— Online retailing is expected to get a significant fillip during this phase. As the COVID-19 pandemic has forced people to stay at home, it is encouraging non-starters to learn and experience the benefits and convenience of online shopping. It is a golden opportunity for online retailers to accelerate and expand their adoption levels while enhancing their customer base.
Home deliveries	✓			— Online home deliveries for prepared food is a well-received concept in Qatar, but operators are facing a shortage of staff & resources to manage the workload. The opportunity exists for expanding the deliveries business and increasing customer base.
Technology & Digital		✓		— Retailers can leverage several technological and digital tools for productivity improvement, sales enhancements, strengthen customer stickiness, etc. Downtime due to COVID-19 offers the opportunity to review tech/digital needs a and make use of the available tools.
		✓		— Consider digital tools to manage health, safety and hygiene.
		✓		— Development of digitally enabled payment mechanisms including features like contactless payments, cash-less payments etc.
		✓		— Growth in focus on sustainability and transparency of the source of retail products & their packaging. Technology tools such as blockchain possess the capability to provide a solution for such upcoming requirements.
Running costs (Rent, people)	✓	✓		— Opportunity to re-negotiate contracts in terms of rental levels, utility costs, rental models.
				— Opportunity to re-assess existing staff structure, staff skills and develop plan to align it with changing consumer preferences and behaviors.

Opportunities (cont.)

Parameter	Short	Mid	Long	Comments
New product development and retailing		✓	✓	— Opportunities may emerge in the development of new products with longer shelf life and a few retailers may start to specialise in this segment.
Personal hygiene products		✓	✓	— COVID-19 has brought in the sense of enhanced personal hygiene in almost everyone across the globe, including Qatar. There is an opportunity for retailers to tap into this growing segment.

Key recommendations

Stakeholder	Short term	Medium to long term
Sector policy and regulation	— Waive or defer government fees, levies such as import duties, demurrage, finance cost of return of en route stock, absorb warehousing and logistics charges for a specified duration, etc. — Offer interest free term for the duration of the pandemic for retail malls by supporting lenders from the back end	— Closely work with retail malls to collect their list of possible challenges expected in the future and support in the development of recovery plans under multiple scenarios — Issue HSSE guidelines for all retail establishments to ensure safety and security of consumers and people involved in the entire value chain
Retail Malls	— Offering rent free period for a specified term — Consider support for retailers through innovative structuring such as deferring of rent burden (EMI model), offering rebates on maintenance & utility charges, etc. — Renegotiate contract terms with suppliers, lenders and other service providers	— Collaborate with Government to provide a regular update on the possible challenges and mutually develop a dependable mitigation plan — Enhance their positioning from a shopping center to an experience center; experiential retail malls possess the power to encourage customers to visit malls for recreational purpose even though they may choose to buy online
Retailers and Wholesalers (Non- food)	— Initiate discussions with suppliers, financiers, vendors etc. to assess business risks and develop a contingency plan — Analyze the liquidity situation very closely and reach out to Government/QDB for support. Also, complete any documentation required to manage any potential delays	— Analyze the impact of the social changes on consumers, their behaviors, preferences, changing demand patterns and consider how to rebuild customer relationships. Make use of the available technology tools, analytics tools, CRM tools, automation tools, and the like, effectively — In the event of elongation of closure, develop plans for routes to market, development of direct to consumer distribution, thinking around experiential shopping, etc.

Organized and Unorganized Retail (cont.)

Key recommendations (cont.)		
Stakeholder	**Short term**	**Medium to long term**
Retail Supply Chain	— Maintain a close watch on global supply routes as pandemic is growing in main supplier nations, mainly Asian and South Asian countries — Close monitoring and support to logistics staff and ensure availability of replacements	— Train workforce on emerging retail supply-chain related topics such as business models, inventory management, sourcing, financial management (mainly around e-commerce/online retailing) to cope with expected emerging needs
Online Retailing/Home deliveries	— Explore re-deployment of un-utilised retail/restaurant staff to temporarily support food and groceries delivery — Measures to enhance delivery timelines and strengthening supply chain (ensuring availability of required products at all times) — Adequate measures so that deliverymen do not become carriers of virus such as encouraging contactless transactions, sanitizing boxes pre-delivery, applying no contact delivery models, etc.	— Update the online experience by upgrading features, product catalogue, payment mechanisms — Plan to move up the value chain by expanding breadth of services such as non-food deliveries, personal service deliveries, etc. — Capitalize online retailing opportunity of partnering with small and medium retailers/manufactures by providing them a digital platform to market their products — Strengthen CRM process to capitalize on the opportunity
Retail Workforce	— Apply for Government support (managed by QDB) to ensure retail workforce continue receiving salaries and benefits — Explore possibility of re-training and re-deployment — Develop effective plan to balance the need to align the workforce to current circumstances, with the need to retain people to staff the businesses when retail outlets re-open	— Develop plans for retraining and redeployment of the workforce in alignment with new and emerging consumer preferences and demands.
Unorganized retail	— Apply for Government support (managed by QDB) to ensure retail workforce continue receiving salaries and benefits	— Discuss with Government to offer extended interest free working capital loan to bring business stability expeditiously — Partner with online digital platform to offer consumers an option to shop online along with their physical store — Relook at the space requirement and re-designing of stores

Financial Services

Financial Services

Sector overview

The COVID-19 pandemic is having an unprecedented impact on financial markets globally, regionally and in Qatar, with implications for operating models, employees, suppliers, customers and in turn financial results. This has been coupled with the effects of the drop in oil price, which creates the unique situation the industry is faced with today. While the government of the State of Qatar has taken a number of proactive and supportive measures to ensure that the financial system and wider economy are protected from the effects of the COVID-19 pandemic as far as possible, there are still implications that banks and insurance companies will inevitably face.

Challenges

Parameter	Short	Mid	Long	Comments
Liquidity pressures	✓			— With the drop in oil prices and the COVID-19 pandemic, liquidity pressures are expected in the short, medium and long term, particularly in USD, while the need to keep the economy moving remains.
Revenue compression	✓	✓	✓	— Given the recent interest rate cuts and subsidized lending expected from banks for the private sector, there will be a squeezing of margins and revenue compression.
Credit quality	✓	✓		— As businesses struggle with cash flow and profitability, and while real estate sector valuations and activity continue to be challenged, we expect to see an increase in non-performing loans and credit quality deterioration.
Operational risks	✓			— As a result of the new norms in working practices, both for employees and customers, there is greater operational risk being faced by banks and insurance companies, including cyber security and phishing attacks.
Digital acceptance	✓	✓		— Financial services operating models are evolving and becoming more digital as the situation demands, and this will require the pace of customer acceptance of such digital channels to also increase across both banking and insurance sectors and move away from the historical preference for 'in person' interaction model.

Opportunities

Parameter	Short	Mid	Long	Comments
Customer interaction	✓	✓	✓	— Effective digital delivery of services, with minimal disruption to customer interaction is essential while banks and insurance companies deal with staff shortages, office closures and other public health protection measures.

Opportunities (cont.)

Parameter	Short	Mid	Long	Comments
Scenario planning	✓			— Using scenario modelling and contingency planning expertise, incorporating the impact of COVID-19 and the drop in oil prices, to help make sound decisions in the face of a highly volatile operating environment.
Communication & transparency	✓	✓		— As the business and the economic impacts of the crisis begin to bite, banks and insurance companies will need to ensure that they are communicating effectively with multiple stakeholders: employees, customers, shareholders and regulators.
Liquidity & capital analysis	✓	✓		— Banks need to thoroughly understand their available capital and liquidity resources and to assess the resilience of these core pillars. They will need to maintain a balance between supporting the wider economy at a time of need, with governmental support, and ensuring their own stability.
Employee engagement	✓	✓	✓	— How you treat your employees now will have a massive effect on their wellbeing, and consequently on their loyalty and productivity. Banks and insurance companies all over the world are making significant changes to working arrangements and this is helping them continue to deliver services to their customers.

Key recommendations

With the State of Qatar government's willingness and ability to continue to support the economy, there is overall positive sentiment for the banking and insurance sectors in Qatar, although they are not totally immune. There are wide-ranging views on how this situation will actually end up affecting global financial markets, however one point, over which there is unanimous agreement, is that we will be dealing with the effects of the COVID-19 pandemic for the foreseeable future, and the financial services sector as a whole will significantly evolve as a result. Those companies that are agile, flexible and willing to transform business models will be the ones that succeed and secure the financial strength needed for future growth, while those that rest on their laurels will be left behind. We also recommend for all the financial services firms to be pro-active in terms of capitalizing on the opportunities while addressing the challenges highlighted.

Oil and Gas

Oil & Gas Industry Insights

Sector Overview

Global presence[a]	Qatar has the world's 3rd largest natural gas reserves and 15th largest crude oil reserves.	**Total marketed production in 2019 and break up of production per below:[b]**	1,990 (Mb/d)
GDP to Sectoral contribution[a]	USD 192.01 billion/Oil & Gas contributes a staggering 60% of the GDP.	**Crude oil including condensate[b]**	1,520 (Mb/d)
Proven Natural Gas Reserves/Production capacity[a]	23,846 billion c.m./77 MTA production capacity.	**Natural gas plant liquids (NGPL)[b]**	310 (Mb/d)
Proven crude reserves (including condensate)[b]	25.2 billion barrels	**Other petroleum liquids[b]**	160 (Mb/d)

Challenges

Parameters	Short	Med	Long	Comment
OPEC price war		✓		— Crude prices nosedived after the collapse of OPEC and Russia (OPEC+) production negotiations held on 9 March 2020, starting with a drop of $10 per barrel on day 1 and continued its downward trend touching $22.74 on 31 March 2020. To counter this severe impact OPEC+ recently met on 12 April 2020 and committed to limit production by 9.7 mbpd in May and June 2020. Nevertheless, existing supply-demand mismatch is expected to fill global inventory storage capacities by May 2020 and excess supply is estimated at 14.7 mbpd in Q2 2020. With 75% of the LNG market under long-term contracts being linked to oil indexes, similar challenges will be faced by Gas producers like Qatar as the price of LNG dropped to USD 3 per mmbtu in week ended 17th April 2020.
Demand contraction		✓		— COVID-19 has severely crippled world economies with most countries adopting stringent measures to contain the virus. 90% of Qatar's total export comes from crude oil (30%) & LNG (60%) exports. Key markets like Japan(28%) and India(11%) are expected to register 11%-15% drop in oil and gas demands during their ongoing lockdown. Global LNG demands are further expected to register 8% fall for the next one to two years.
Geo-political environment			✓	— Recent Iran – US clashes in the Middle East, OPEC+ fallout over production supply schedules, the current economic uncertainties caused by COVID-19 and a looming recession - expected to be bigger than 2008 - have plummeted the oil & gas prices, dampened capital investments and threatens to disengage key markets.
Cash-flow management		✓		— Free cash flows of exploration and production companies are expected to fall to a low of $7 billion in 2020 if the average Brent crude oil price hovers at $30 per barrel through the year. Asian markets currently attribute close to 70% of the business turnover for these Oil and gas producers including Qatar. Cash flows may stifle over increasing credit lines and lower returns on falling crude and LNG prices.
Capital spends and expansion			✓	— Major exploration and production companies across the world have announced downscaling or deferring capital spends over the uncertain economic situation. Qatar also announced postponing $8.2 billion in unawarded contracts on capital expenditure projects. However, the LNG expansion projects are expected to go on, with probably just a delay of 3-6 months. Likewise, impact is felt across Middle East, most recent being the cancellation of 2 major Dalma projects by ADNOC, worth $ 1.65 billion.

Note: (a) Gas exporting countries forum_www.gecf.org, Euro Petrole Report_www.euro-petrole.com & Oxford Business Group Report_www.oxfordbusinessgroup.com

(b) US Energy Information Administration_www.eia.gov

Opportunities

Parameters	Short	Med	Long	Comment
Overhaul for repairs and maintenance	✓			— Lockdown restrictions and excess supply/low demand in global markets provide a window to overhaul critical facilities for heavy repairs and maintenance which are otherwise time and effort consuming. Increase in repair costs could be partially set-off against lower depreciation on idle capacities.
Operational cost reduction	✓			— Reallocation/redistribution of common assets owing to low demand/excess production supplies could result in cutting operational frill costs. Laying off contracted staff during low supply demands could be filled by idle staff capacities, wherever possible. Consolidation of business activities could also be planned without the fear of process disruptions during these times.
Financing and raising capital			✓	— Deflation in major economies like USA and Europe provides a unique opportunity to raise funds at cheaper interest rates to finance capital expansion plans. Existing financing terms may be subjected to renegotiations with lenders/investors. Further, oil & gas support companies in private sector could also avail benefits under the $ 21 billion economic incentive declared by the Qatar government.
Supplier contracts		✓		— Favorable long- and medium-term contracts can be negotiated with suppliers of primary inputs leveraging bargaining power in the current economic scenario.
Customer contracts			✓	— Recession hit economies, especially Asian markets, are expected to avail deferred payment terms and increase supplies to boost domestic growth. A robust financial management exercise could provide opportunities for renegotiating existing contracts and identifying new markets for long term profitability and business viability.
Opportunities for strategic buyouts			✓	— Financially distressed strategic businesses could be acquired and are likely occurrence during such crisis. Such business combinations may help achieve strategic advantages.

Key recommendations

Insights	Short term	Medium to long term
Crisis management	— Assess fast, respond quickly. Mobilize and tap unused resources. Current buzzword is 'triage', literally meaning arranging the order of allocating limited resources to maximize recovery and survival. Maintain resilience while managing legal and regulatory changes, risk mitigation and unforeseen issues.	— Remediate initial COVID-19 impact. Stay alert and implement learning through experience into renewed business policies to avert future disruptions.
Cash flow and investments	— Identify bottlenecks through robust working capital management. Maintaining liquidity during crisis is essential to meet unforeseen expenditures.	— Rationalize capital spends and reinvest capital into the business by deferring dividend payouts and making cash calls from existing investors.
Hedge currency exposures	— Recessionary economies are subject to high levels of volatility in exchange rates. Hedging receivables could help avoid losses and leakages of funds.	— Trading against USD could result in greater visibility of future inflows since the currency is pegged against QAR.

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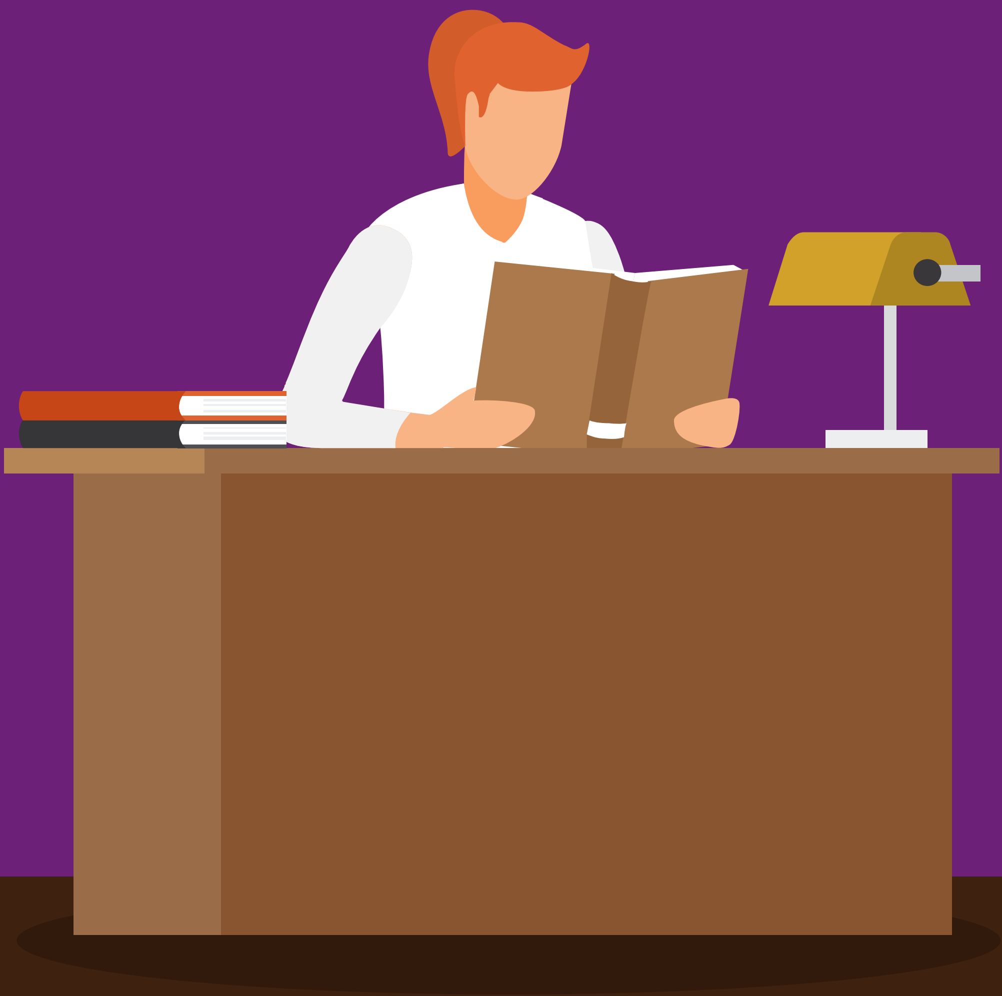
Education



Education Sector Insights

Sector Overview[a]

Government Spending	9.3 % of Government Expenditure (2017/2018)	**No. of Individuals Employed in Education Field**	48,000 Employed in Education Field
No. of Government Colleges and Universities	2 Government Colleges and Universities	**No. of Private/International Colleges and Universities**	17 Private/International Colleges and Universities
No. of Public K–12 Schools	323 Public K–12 Schools	**No. of Private K–12 Schools**	282 Private K–12 Schools
No. of Higher Education Students	34,000 Students (26,000 Public, 8,000 Private)	**No. of K–12 Students**	317,000 Students (119,00 Public, 198,000 Private)
Gross Enrolment Rate (GER)[b]	56.3% (Kindergarten), 107.1% (Primary), 102.8% (Preparatory), 100.1% (Secondary), 21.2% (HE)	**Percentage of Students Compared to Total Population**	13% of the Total Population

Challenges

Parameters	Short	Med	Long	Comment
Continual learning	✓	✓	✓	— To combat school closures, the Ministry of Education and Higher Education (MOEHE) has launched a distance learning program(c), targeted at students from grades 1 to 12, for all public schools which can also be applied by private schools. In addition, both a Principal Advisory Committee(d) and a Consultative Teachers Committee(e) were formed to help oversee the program. For students in the Kindergarten stage, the MOEHE is providing video support to parents to assist in guiding children through completing educational material(f). Around the time of preparing this document, approximately 10% of private schools have not implemented the distance learning program(g) which may be due to constraints or lack of preparedness. As with K-12 schools, Higher Education Institutions (HEI) had to adapt and be prepared to implement online learning. Several HEIs have constraints around technology and delivery capabilities and as a result may have faced some difficulties.
Parental pressure	✓	✓		— There is an increased pressure on parents, particularly working parents, who must balance work commitments with supporting their children's educational needs as they try to adopt distance learning methods and find ways to stimulate children as they spend more time indoors.
Adapting to teaching methods	✓	✓		— Educators lack experience in distance learning methods, creating online content, delivering online courses effectively and conducting assessments. Educators will need to be trained and skilled in order to better support students and parents and minimize the impact on course quality.
Educational institutions environment		✓	✓	— Some parents have been questioning and resisting paying fees which will inevitably negatively impact schools cash flow. The MOEHE has intervened and suggested that schools support parents through these times by, for example, exempting them from bus fees or carrying over any unpaid amount to the next academic year. With regards to HEIs, admissions are expected to be impacted. As such, many HEIs have begun waiving requirements, such as the GRE or A-levels, to encourage students to apply and attend to help combat the expected decrease in global mobility(i) of students (both inbound and outbound). Furthermore, some students may have decided to take a gap year until the situation settles. This means that during the next academic year, HEIs may be expecting a drop in the number of enrolled students and an increase in the years after.

Note: (a) www.psa.gov.qa/en/statistics1/pages/topicslisting.aspx?parent=Social&child=Education
(b) www.uis.unesco.org/en/glossary-term/gross-enrolment-ratio
(c) www.edu.gov.qa/Ar/Media/News/Pages/NewsDetails.aspx?NewsID=12489
(d) www.edu.gov.qa/Ar/Media/News/Pages/NewsDetails.aspx?NewsID=12490
(e) www.edu.gov.qa/Ar/Media/News/Pages/NewsDetails.aspx?NewsID=12491
(f) www.edu.gov.qa/Ar/Media/News/Pages/NewsDetails.aspx?NewsID=12482
(g) www.edu.gov.qa/Ar/Media/News/Pages/NewsDetails.aspx?NewsID=12483
(h) www.thepeninsulaqatar.com/article/09/04/2020/QC-reviews-repercussions-of-COVID-19-on-private-education-sector
(i) https://www.marhaba.qa/vcuarts-qatar-their-priority-is-ensuring-that-education-continues-despite-covid-19/

Challenges (cont.)

Parameters	Short	Med	Long	Comment
Quality of education	✓	✓		— The absence of adequate delivery platforms has made it difficult for students whose curriculum relies on presentations, communication skills, lab work, physical education and creative arts. According to feedback from current students, several presentation heavy courses have been amended to either request papers or video submissions in place of presentations. As for creative arts, there is a heavy reliance on physical spaces. Many have amended their curriculum to make use of materials available at home for assignments and projects(j). For students studying medical sciences, their studies have been halted as lab work cannot be performed using the current online delivery capabilities. The same is true for students involved in physical education. In addition to difficulties delivering courses, a large proportion of HEIs have either cancelled their tests or resorted to administrating oral examinations which has presented increased opportunities for cheating and plagiarism which are difficult to detect when it comes to online testing.
Employment landscape		✓	✓	— Internships and employment opportunities for students may be affected with companies delaying their onboarding process. For medical students who are close to completing their MD-PhD's, their clerkships have been put on hold which has delayed degree completion.

Opportunities

Parameters	Short	Med	Long	Comment
Regulations for remote learning	✓			— With the outbreak highlighting the importance and necessity of remote learning, opportunities for issuing regulations to accredit remote learning are present. These regulations provide opportunities for enhancing rules for recognizing qualifications attainted through distance learning.
Modernize testing methods	✓	✓		— Due to the absence of effective delivery platforms, educational institutions have been met with difficulties conducting assessments. These difficulties present opportunities to evaluate current testing methods and explore alternate methods to assessing students which may prove to be more effective.
Enhance admission policy	✓	✓	✓	— As admission requirements have changed following the outbreak, HEIs may be met with difficulties evaluating prospective students. These difficulties present opportunities for reconsidering admission policies and adopting more creative means to assess candidates which are not completely grade based.
Nationwide education platform			✓	— With some Educational Institutions facing challenges with their technology and delivery capabilities, opportunities are present for revamping institutions IT Infrastructure to ensure they are up to standards and can support e-learning. Subsequently, this will provide an opportunity for Qatar to build a nationwide educational platform to support learning throughout the whole country.
Learn-from-home opportunities		✓	✓	— Lessons learnt from the current situation could present opportunities and motivation for providing more learn-from-home opportunities to help make education more accessible to all.

Note: (j) http://www.edu.gov.qa/Ar/Media/News/Pages/NewsDetails.aspx?NewsID=12499

Education Sector Insights (cont.)

Key recommendations

Insights	Short term	Medium to long term
Sector policy and regulations	— Government financial support to private sector/self-funded schools, universities and other educational institutions (e.g. cheap loans, tax support and other forms of supporting cash flow) as well as developing programs to re-introduce confidence in the education sector covering all aspects of uncertainty caused by COVID-19 such as health and safety of students, staff families and others involved in education.	— Introduce a Business Continuity Framework for the sector drawing on the lessons learnt from the pandemic as well as a 'clean space environment' certification program for educational institutions.
Learning and Development	— Upskill the teaching and academic community, should the closure continue for a longer period, by investing and training the teaching staff in new methods of delivery and content creation. In addition, examination boards and bodies should explore other ways of assessing students instead of indefinitely postponing examinations.	— Continuous professional development of teachers and faculty on creation of online content, effective delivery of online courses, and administration of assessments online. Supervision steps should be introduced to ensure high standards of education are maintained and adhered to.
Operational and Fiscal Support	— HEIs should consider, given the uncertainties over the next academic year and the delays in conducting admissions exams, that their admissions cycle and backlog could be affected. The government should create programs to support foreign and international schools and universities (e.g. cheap loans, financing, tax exemptions), provide subsidies to education technology players, encouraging them to make online learning accessible to a wider audience and provide support to private schools to upgrade their ICT and broadband capabilities.	— Create a detailed contingency plan and undertake rigorous academic planning and syllabus prioritization for AY 2020-21 factoring in current backlogs. In the long term, HEIs should have robust operating procedures and policies to ensure continuity of operations in the wake of such emergencies. Schools and HEIs should also consider lending technology and resources to less privileged families as well as provide technical support for parents and students.
Digital Resources and Delivery	— Ramp up free online resources for self-study and as aids for teachers and work on developing a digital delivery platform that takes into consideration security, privacy, usability, accessibility and support	— HEIs and schools should be encouraged to digitize content and invest in technology to promote remote delivery of courses. Furthermore, credit scores of courses taken on online platforms should be considered for acceptance in lieu of regular courses. Blockchain should be considered for issuing electronic academic certifications and credentials instead of paper-based certifications and attestations.
Health and Wellbeing	— Schools and HEIs should be encouraged to create content in the form of videos, documents to spread awareness about the virus. Additionally, mental health support and awareness should be provided to families and students to reduce current and post-traumatic mental stress as a result of the outbreak.	— Create a public service awareness campaign targeting schools once they reopen to address the spread of any new infections and enhance their preparedness.

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Real estate

Real Estate - Residential & Commercial Office

Sector overview

Residential

- As of year-end 2019, the total residential stock in Qatar was estimated at approximately 331,000 units. According to our estimates, Qatar is expected to add a further 18,000 units by the end of 2020, taking the overall number of residential units to approximately 349,000.
- After almost three years of decline, the residential rentals started showing signs of stabilization prior the COVID-19 outbreak.

Commercial

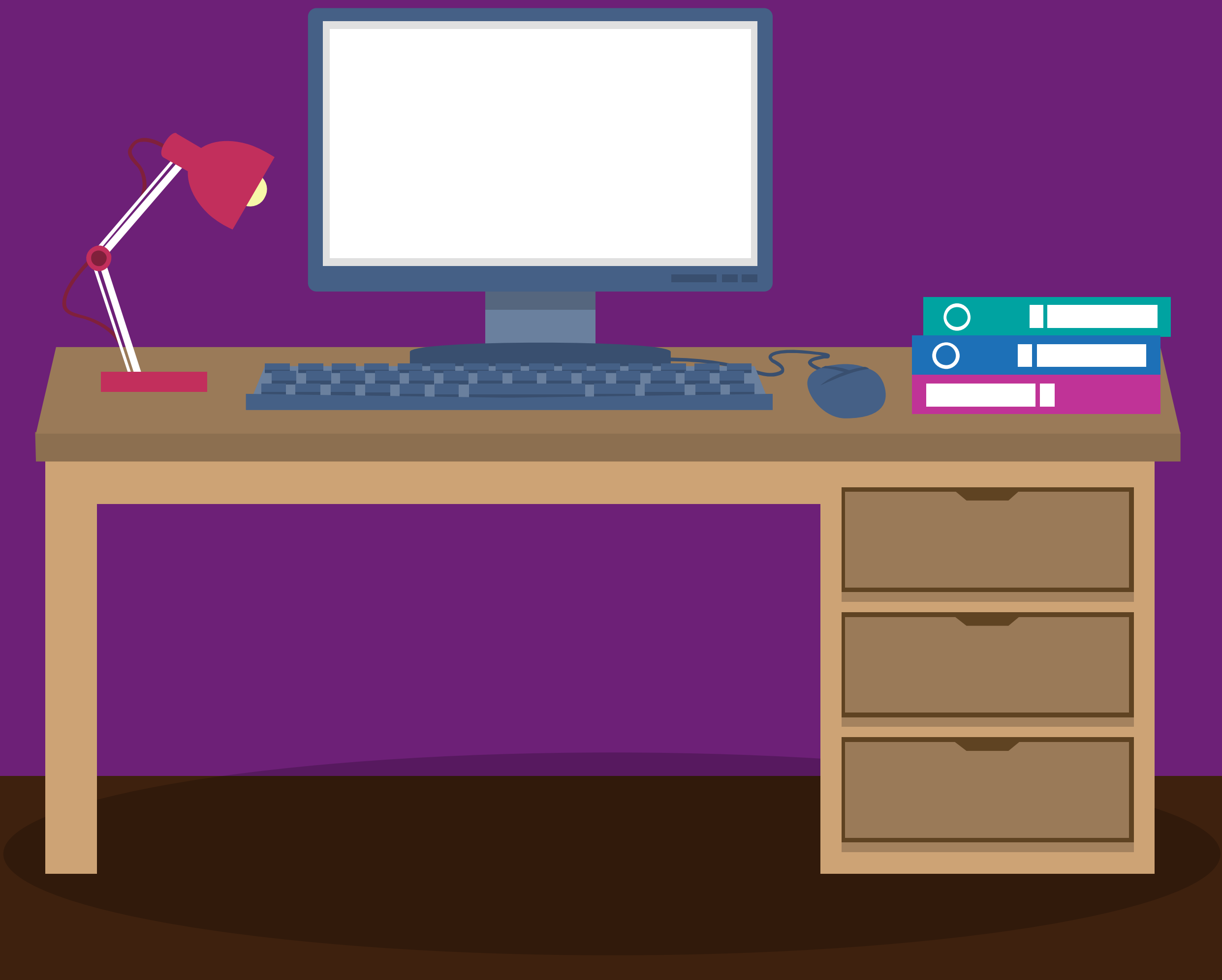
- As of year-end 2019, the total leasable office supply in Qatar is estimated to be approximately 5.0 million sqm, of which approximately 50 percent falls under the Grade-A category.
- Continuing the trend in the initial two quarters of 2019, vacancy rates increased across all the major business districts of Qatar. Increasing supply of commercial office space coupled with weak demand have resulted in rentals falling by about 30 percent since 2016. However, government initiatives to expand the private sector and introduce 100 percent foreign ownership could help mitigate this slowdown over the long run.

Challenges & Opportunities

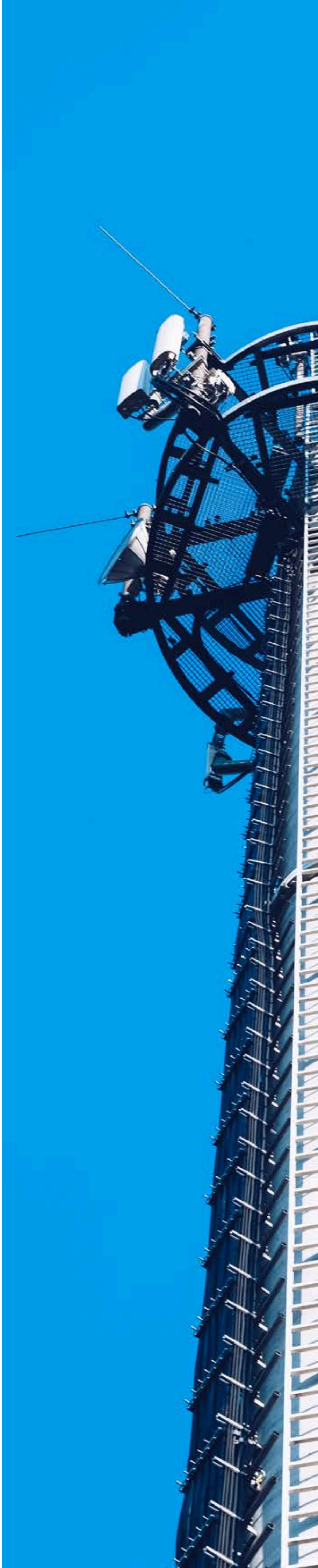
Parameters	Low	Med	High	Comment
Cash flow constraints		✓		— Due to the socio-economic impact of COVID-19, the market is likely to experience further decline in rentals in the residential and commercial segments, coupled with increased level of vacancies.
		✓		— Such decline will vary across asset grades and the market is likely to shift further towards better value proposition and affordability.
			✓	— A combination of these will put constraints on the cash flows to landlords and debt serviceability of leveraged assets in the short and medium term.
Delay in project timeline		✓		— Depending on the duration of disruption and pace at which normalcy will return, there can be significant delays in completion of under construction projects. This will further lead to stress on the cash flows for landlords, contractors and other service providers, in addition to potential cost overruns in projects.
		✓		— Projects in early stages of design could witness realignment to current market conditions, such as change in design, size and/or postponement.
Financing			✓	— Financing will remain a challenge due to weak underlying demand in the short term. Existing borrowings will be stretched to match cash flows.
Demand	✓			— Short-term demand will be subdued across residential and office categories.

Key recommendations		
Stakeholder	**Short term**	**Medium to long term**
Developers/ Landlords	— Ease cash flow pressure by deferring commitments. — For under construction properties, assess value engineering options through alternative materials, space redesign, etc. — Protect existing clients by providing temporary relief with clawback mechanism (where possible). — Renegotiate contract terms with suppliers, lenders and other service providers.	— Review value proposition to tenants through bundled offers – home plus. — Balanced portfolio of properties with longer term (approximately three year) contracts offering cash flow certainty, certain short-term portion to benefit from favourable market movements, etc.
Tenants	— Seek temporary rent relief. — Review exit options in case of immediate need. — Seek add ons and refurbishments.	— Flexible rental contract options – variable tenor, exit options, market linked rate variations etc. — Seek home plus – club memberships, retail discount coupons, entertainment coupons, etc.
Regulators	— Offer liquidity support to the system. — Waive/defer fees and other government levies. — Back lenders to ease the shock.	— Introduce transparency and regulations through a dedicated regulatory body. — Introduce international valuation norms. — Review lending/collateral norms.
Lenders	— Defer repayments and customer obligations. — Raise liquidity in the balance sheet. — Reset shareholder expectations.	— Review financing portfolio and adjust based on outlook. — Review valuation norms. — Review credit and collateral policies.

Telecom, Technology and Media



Market overview: introduction to Telecom market



Size and Overview

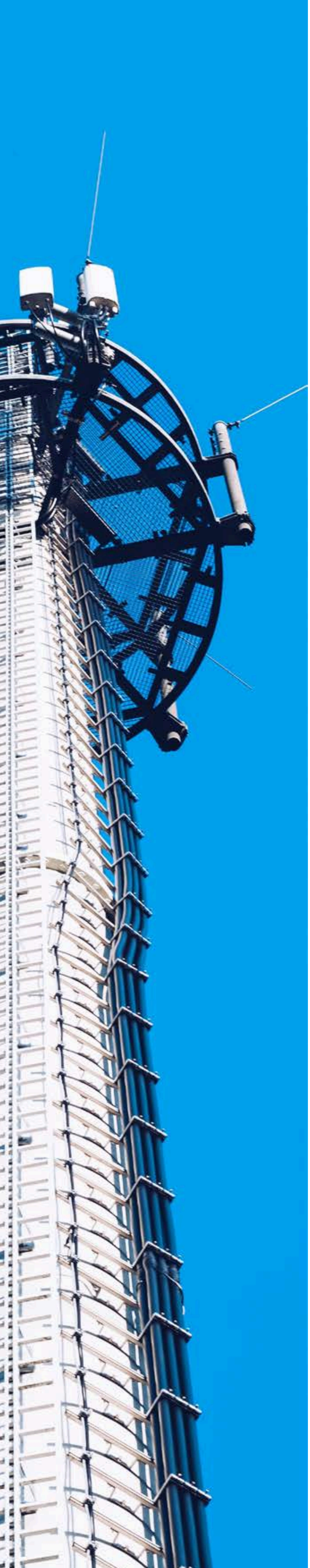
Qatar's telecommunications sector has contributed in the recent years around 1.4% to Qatar's GDP, showing a remarkable value to the country over the last years. However, researchers predict that telecommunications revenue worldwide will decline by around 3.5% due to COVID-19.

The impact of COVID-19 is putting the telecommunication sector in a challenging position, nonetheless, demands and expectations are high from both consumer and business customers allowing the communications service providers to play a major role in the sustainability of the county's economy during these difficult days.

The Qatar telecommunication sector is shaped more by mobile services rather than fixed broadband which represents few challenges but also huge opportunities to the service providers, where operators are becoming digital service providers combining digital service with their ability to provide the service to the customer everywhere and at anytime. 5G in Qatar will impose speed in data and increased coverage allowing additional use-cases to emerge and giving operators the chance to play a bigger role as enabler for the digitization of the country.

Challenges

Parameters	Short	Med	Long	Comments
Increased demand for communication services	✓			— With social distancing and the self-isolation, private individuals and businesses are forced to move their interactions to virtual platforms. This sudden and unexpected number of concurrent users is exposing the telecommunication service providers to major challenges
Security and privacy become major concerns			✓	— With everything going online, from educational classes to the board meetings, service providers have to provide evidence to customers that will ensure confidentiality and the security of their data. Local operators can enjoy the privilege that they are trusted to keep the data in the country.



Current and potential challenges

Parameters	Short	Med	Long	Comments
Short term consumer behavior creates long term opportunities			✓	— User consumption of digital services such as eHealth, eEducation, eCommerce, etc. will have an impact on their behavior even after the pandemic has been controlled. However, they might turn soon into de facto conventional services if the service providers use the chance to establish digital platforms that disrupt the way we were used to, turning the short term impact of COVID-19 into long term sustainable revenue streams.
Demand for digital entertainment	✓		✓	— In the short term, most of the self-isolating users are exploring digital content since their options are limited due to the restricted movement, however, short term consumer could be turned into long-term customer in case the digital entertainment providers are able to provide competitive sticky experiences.

Key recommendations

Telecommunications companies have been front and center in the COVID-19 response efforts. As a result, there is an opportunity for TMT to emerge from this in a better position than before the crisis. We have seen a number of notable positive impacts across TMT such as increased demand for delivery services, video streaming, and teaming services for remote work. There is also a continued focus on new technology deployment such as AI, AR/VR, and 5G.

Looking forward, the advanced infrastructure in Qatar and the introduction of 5G constitute great opportunities for service providers to play a major role in establishing the digital economy and ensure business continuity. Furthermore, globally, digital service providers are among few entities that are expected to boost their growth during the current circumstances, TMT service providers can ride on this wave and enhance their portfolio to not only be the enabler but also transform their business model towards more digitized services.

Digital implications

COVID-19 Digital impacts: Hitting the fast-forward button

Current and potential challenges

Parameters	Low impact	Med impact	High impact	Comments
Cut in the demand for non critical digital transformation projects			✓	— Stressed treasury and low cashflow have pushed organizations to postpone or cut budgets for all non critical projects including digital transformation ones
Sudden and high demand for digital channels that were not always scaled to manage such afflux			✓	— With the immediate effect of confinement measures in Qatar, businesses had to suddenly redirect all or the majority of their services towards digital channels
BCM and cyber security capabilities that were not designed for a sudden pandemic scenario			✓	— With the swift switch to remote working and digital channels, BCM and cyber security technology and processes have been pressured to adapt

Opportunities to pursue

01
Remote working and cloud services

02
New Customer Experience

03
Advanced data and analytics

04
Cyber security and resilience

Recommendations for each opportunity

01

- Organizations need to adopt **remote working policies** to guarantee the safety of their employees and comply with authorities' measures
- A surge has been observed across sectors in the use of **collaboration tools and technology**
- **Workforce monitoring solutions** can be implemented to support the move
- Businesses should also consider a move to **cloud solutions** which will reduce reliance on onsite resources, especially with **Microsoft's cloud datacenter in Qatar**

02

- Customer behaviors have changed and with them businesses must review and prioritize **customer journeys and touchpoints**
- All industries should enable **digital channels** and **Self-service capabilities** to respond to confinement measures (ex. mobile and digital banking, e-commerce, e-government, e-learning)
- Marketing and Communication through **social media** has skyrocketed following the outbreak of the COVID-19 pandemic to maintain a link with clients

03

- Organizations should leverage **AI and data analytics** to develop **conversational solutions** including **chatbots** for their customer centers
- **Intelligent automation** and **RPA** would also help businesses achieve operational and cost efficiencies during the COVID-19 pandemic
- Businesses should also be closely monitoring and forecasting their **financial** and **treasury** situation using **Business Intelligence** platforms, **predictive and real-time analytics**, and **data visualization**

04

- Organizations have put a significant effort refining and deploying their **business continuity** frameworks and resilience procedures
- The switch to remote working and digital channels reinforces the need for **security controls** and **vulnerability testing** as a response to growing social engineering and cyber security threats
- Organizations should also consider data **privacy** and **confidentiality** as a priority due to a growing number of **digital transactions**

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