

Working in the Middle East

Are You Covered?

The Expat Package

Alive or Dead?

Legal Fears

Where there's a Will,
there's a Way

Talent

The Gulf's Game of
Musical Chairs

Financial Planning

Re-Establishing Trust

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A New Kind of Ambition

There is a new reality for the expatriate abroad. Since the financial crisis of 2008, individuals and companies have changed the way they conduct business, and this extends to how people are hired, how they work and the kind of remuneration they receive for that work.

THIS DOES not mean that the expat employment package is dead. It is still alive. But it has been significantly eroded as more and more employers move towards hiring locally rather than internationally, and offer “cash for choice” rather than traditional benefits as part of a deal.

The nationality mix is changing too. Firms are looking East for staff, where employee-value is perceived to be greater; and at local Arab nationals, whose lack of visa restrictions, understanding of the region’s culture and access to business contacts are key. Seasoned expats who have become well established in the Middle East are seen as lower risk and better value than new hires from Europe.

Indeed the sourcing of local staff is now a crucial point for senior management and board room composition – even with the caveat that GCC talent is more expensive at the top and harder to retain.

Overall, there is a strong trend towards more performance linked pay, with employees having to earn their rewards, while global business is re-aligning wage scales along international grade lines.

The fluidity of the expatriate job market means that possibly for the first time, many expats now believe that some kind of income tax is desirable if it secures permanent or long-term residency in the Middle East.

That same mutability means that while there are larger numbers of mobile Gulf expats than ever before, few have a proper Will to avoid local courts distributing their wealth according to Sharia law in case of death. This creates a great opportunity for the financial services industry to come forward and provide quality financial advice in a changing and complex financial world.

And as for retirement, who can one rely on? The answer is increasingly nobody but ourselves. State pensions are minimal, gold plated company-defined benefit schemes are all but gone, and defined contribution or money purchase schemes are now the norm.

It’s a brave new world. And every expat needs to understand what is at stake.

David Hunt



The Expat Package is Dead, Long Live the Expat Package

RABEA ATAYA

Ten to fifteen years ago, the average expatriate hired from overseas could expect the same salary and pension as they might in their home country, plus provision of benefits like a house, furniture, a car, their children's education - even cash payments of 'hardship allowances' and 'food'.

BUT IN THE last ten years that picture has changed completely. At best, people can expect a salary benchmarked on the often considerably lower cost of a local hire as the basic, with limited housing, transport and education (most probably capped to one or two children or a set allowance per child) as the 'perk'. Everything has all but gone.

This is partly the result of so much churn in the regional labour market. Far more workers of every hue are now moving between the states of the GCC, either because they have lost their jobs or because of the changing appeal of different countries (see the results of the Bayt.com *Best Cities of the Middle East & North Africa 2010* report on page 19).

Another major trend in Gulf packages is the increasing popularity of third country nationals taking their benefits in cash rather than kind.

This is a two way street: as expatriates have become disconnected from their home pension plans (or simply found no good pension plans in the region to migrate to), cash suddenly seems a well-negotiated option on landing a new job.

For employers, cash is an easier thing to negotiate away than, say, a house. And given the extraordinary lifestyle expectations of some new expatriates even today, cash is a more predictable object than the highly volatile and still murky rental and freehold markets of the GCC.

This is not just a trend in the Gulf. It conforms to changes in the global labour market, where employers are looking to move from fixed employment to variable packages where performance is the standard measure of success. Employers (and many employees) think this is more 'fair', but it is also less taxing on a business' bottom line (and in times of trouble, more easily reined in).

Indeed, performance metrics have other benefits for the parties to a contract. They can act as a staff retention strategy for companies - and a real measure of an employee's worth. On the other hand, they give staff motivation to succeed, and a welcome addition to their coffers when it goes right.

But are they enough to make up for the loss of an expat package that died with the global financial market in 2008?

The answer is a resoundingly equivocal "yes and no". As long as end-of-service gratuities still exist, a well negotiated 'local plus, variable package' can still offer very reasonable reward for work. But that system may not last forever, with its abolition being considered in a number of capitals.

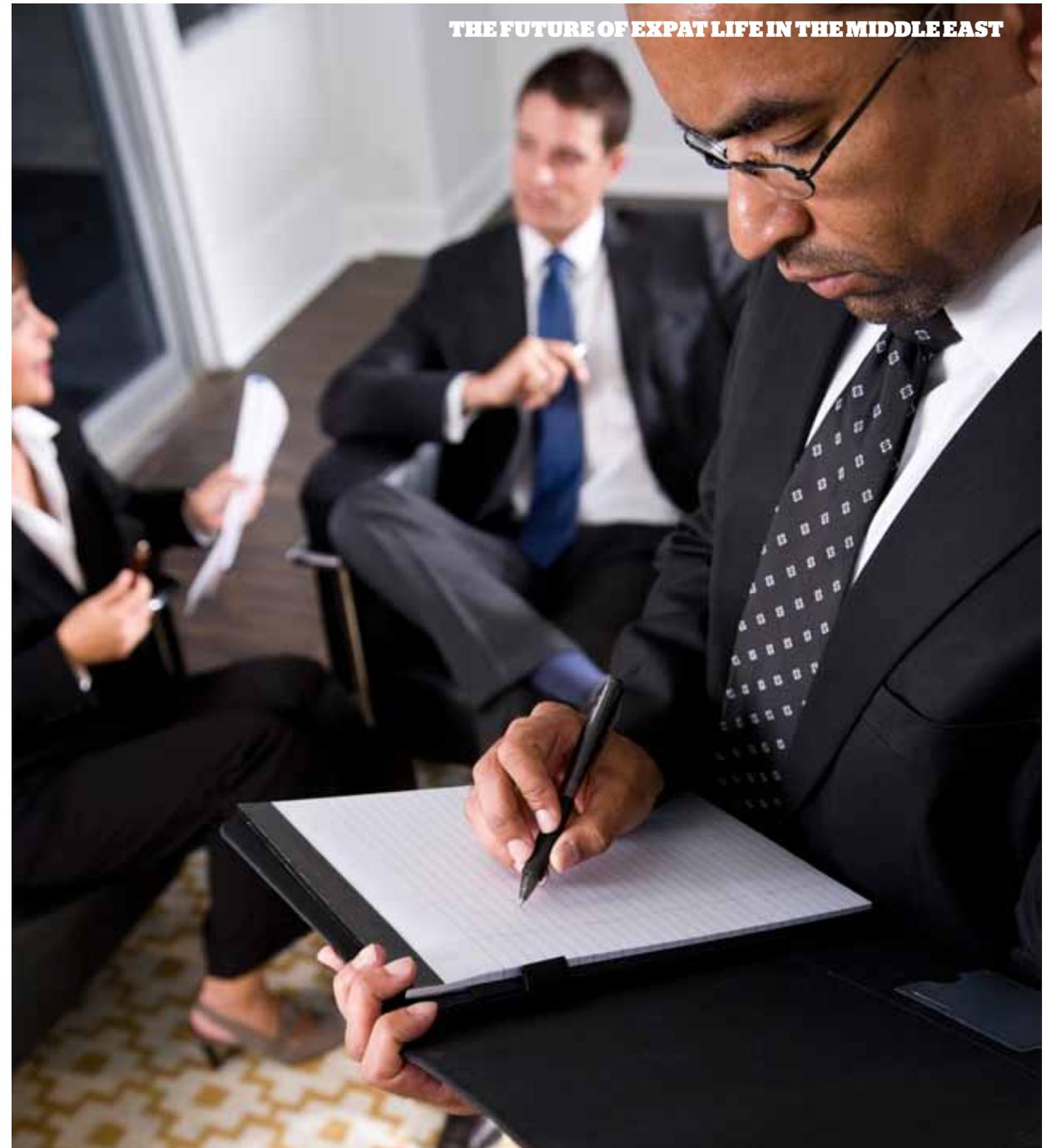
It also brings its own problems. As benefits in kind move to cash and the burden of managing that cash shifts to the employee, the lack of good financial advice and products are becoming a challenge for every expatriate.

The expat package is not yet dead, but like the proverbial sand of the desert, don't let the fruits of your labour slip through your fingers.

Rabeya Ataya is chief executive officer of Bayt.com, the number one job site in the Middle East, which hosts more than 5 million registered jobseekers and 40,000 registered employers from around the MENA region and the globe.

57%
of respondents did not have an expat package defined as a basic salary with additional housing, schooling and relocation allowances.

SOURCE: HSBC ARE YOU COVERED? SURVEY, NOVEMBER 2010



The Gulf's Game of Musical Chairs

Anthony Simpson, a managing partner at the Middle East offices of executive search firm Odgers Berndtson, looks into the ways in which hiring habits have changed following the global recession - and how the market is benefiting from what many see as a much needed correction.



IN EVERY CRISIS there are winners and losers, and the past 24 months was no exception in the Middle East labour market. The economic downturn had a definite impact on hiring habits in the region, with massive layoffs in the financial services, construction and real estate sectors.

But the news is not all bad. The oil and gas industry – one of the region’s largest employers – continues to hire as it faces shortages in global talent, with a particular dearth of mid-management expertise.

The recent turmoil has also been a boon for regulators and those with the skills to manage risk and enforce best practice

compliance standards. After all, the financial crisis itself demonstrated the negative consequences of weak corporate governance across the Gulf.

Indeed the 2007-2010 period has been a painful but cleansing time for regional boardrooms.

GOOD FOR NATIONALS...

One of the main groups to buck the hiring freeze has been Gulf nationals. They might make up only 10 percent of the population in the UAE, for example, but they are much sought after by regional and international companies because of their potential to

bolster business development endeavours in a region where long term relationships are highly valued.

Still, this development does bring its challenges to international employers as local national talent at the top end is more expensive and harder to retain. For starters, without visa restrictions, they are more mobile.

This means that there is now a much greater obligation on multinationals securing business in the region to train, to mentor and to develop local talent. The old days of ticking a box to comply with local hiring quotas are long gone.

...AND LONG TERM EXPATS TOO

This does not just apply to so-called ‘nationals’. Employers now show much more willingness to accommodate candidates already based within the region or with recent expatriate experience. In many cases this can be put down to cost, but not for the first time in the history of employment in the Gulf, companies have realised that candidates who have settled international families are more productive – and less likely to leave.

The Middle East as a whole – despite the collapse in oil prices in 2008-09 from almost US\$150 a barrel to US\$30 a barrel – remained one of the few regions in the world to avoid a recession. This has allowed global firms to re-assign staff to this region from other parts of the world because it is more economic to utilise existing talent than make people redundant.

In the United States, the world’s largest economy, official unemployment numbers have doubled in the same period to almost 10%, with some parts of Europe soaring to more than 20%.

A BETTER QUALITY OF SERVANT

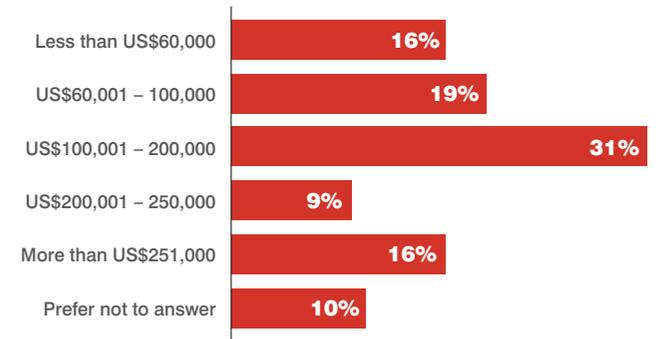
This is another reason that the region is seeing better qualified executives prepared to apply for positions and move to the Gulf. It means that in those cases where regional firms are recruiting internationally, they are certainly getting better quality for the same – or in some industry sectors such as financial services, health and education – less money.

Employers are also increasingly looking to the East to source better quality and more affordable senior talent. There is therefore less reliance on the established costly model of securing Western expats from far away.

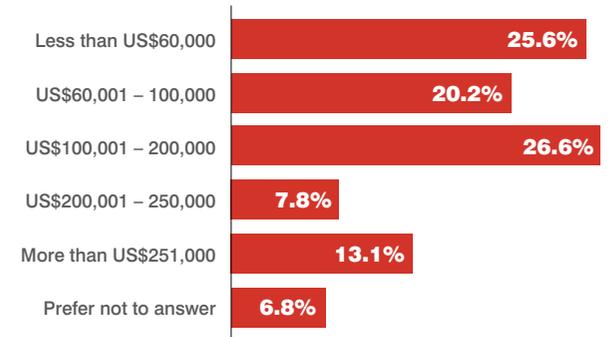
Another victim of the credit crunch and the weak global economy is the old stalwart pillar

THE FUTURE OF EXPAT LIFE IN THE MIDDLE EAST

2009 Pay Scales



2010 Pay Scales



*THE EXPAT EXPLORER (EE) SURVEY, NOW IN ITS THIRD YEAR, IS THE LARGEST INDEPENDENT GLOBAL SURVEY OF EXPATS, COMMISSIONED BY HSBC BANK INTERNATIONAL AND CONDUCTED BY A THIRD PARTY RESEARCH COMPANY. MORE THAN 4,127 EXPATS WERE QUESTIONED. PEOPLE FROM FOUR CONTINENTS DESCRIBED THE OPPORTUNITIES AND CHALLENGES THEY EXPERIENCE LIVING AWAY FROM HOME.

of the regional labour market – the ‘expat package’. This is now on the endangered species list, with often major disparity between what candidates expect and the package offered by the region’s employers. Perks such as housing and school fees are now embedded in base salaries, rather than additions on top.

TIME TO ADJUST

Indeed global business has taken advantage of the last 24-month economic cycle to adjust compensation packages in line with international grades: wages are being reduced from the heady heights of the mid- to late 2000s, and more and more of an employee’s remuneration is linked to performance.

In short, business is sharing the upside – but also the downside of the downturn.



Anthony Simpson is managing partner Middle East of Odgers Berndtson, a 45-year-old executive search firm operating in 27 countries worldwide



Expats Face New Reality in Post Credit Crunch Economy

FRANK KANE

There appears to be a broad consensus emerging amongst foreigners living in the Gulf – the halcyon days are over, and a post-crisis heightened sense of reality is the new essential in the would-be expat's luggage.

THIS IS NOT to say that a career in the region is less appealing or rewarding. Most expats, and it would appear by a wide margin, are still satisfied with life, and a substantial majority are very happy with their lot, according to recent surveys conducted by research firms Bayt.com, YouGovSiraj and Insight Discovery.

Life in the Gulf is no longer a hardship posting, but is as much a lifestyle choice as a career option. The financial rewards of expat life are still there – largely the ability to save or invest a substantial sum in a relatively short space of time – but are increasingly just half the attraction. Adventure, climate, travel and quality of life – all those unquantifiables of life abroad – are seen as equally important, but along with this still-exotic view of the expat universe, there is a new spirit of self-reliance.

Expats these days are less likely, by a small margin, to be families, hired from Europe or North America on an all-inclusive package of benefits for a fixed-term contract. The discernable trend is for younger, single people, increasingly from Australia or South Africa, to seek work on tax-free salaries that are very competitive compared to home.

Expat families are increasingly likely to be from Asia or Arab countries, on less lucrative packages than their European predecessors could command. That says a lot about the increasing eastward orientation of the Middle East, especially in the wake of the financial crisis.

56.5%

Of respondents to the HSBC Expat Explorer Survey said they had become expatriates because of financial and career rewards (2,332 people of 4,127 surveyed).

The biggest single surprise emerging amongst expat circles concerns tax. The accepted wisdom is that expats are all tax-avoiding exiles who would return home the moment any levy on income was introduced in Middle East countries.

But the reality is that many now see payment of some kind on income and expenditure as inevitable, and even desirable if it comes with some sense of secure long term residency.

Simon Williams, HSBC chief Middle East economist, reckons the UAE could quadruple the tax revenue it currently gets and still be competitive compared to home countries.

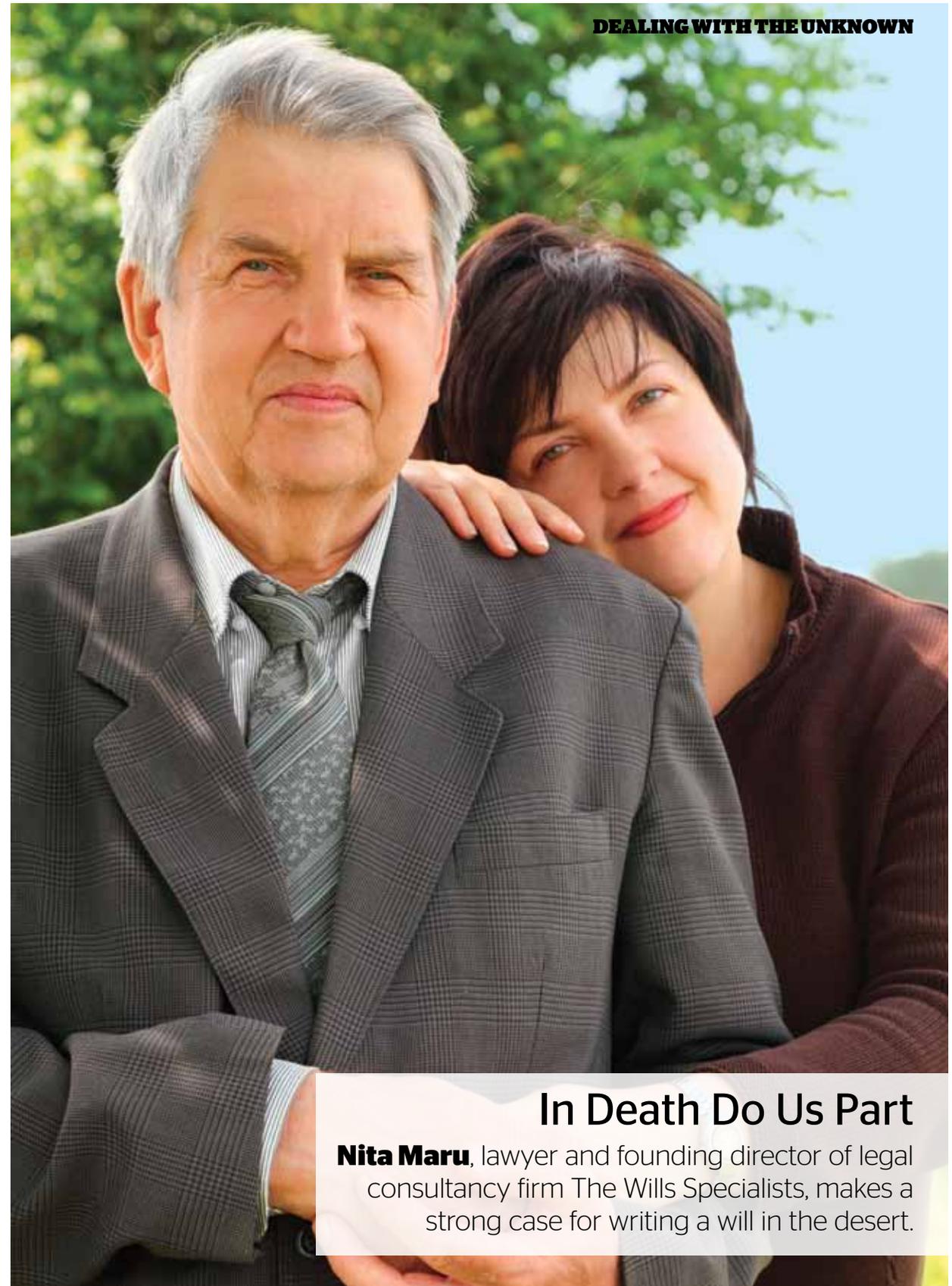
In a not so scientific survey I conducted to test his thesis, it emerged that most expats would not object to paying between 10% and 15% of their income, around the level of other global hubs like Singapore.

In return, however, they wanted two things: a commitment that the cash raised would be spent on essential parts of the urban and social infrastructure; and an end to the system whereby residence visas are tied to employment. In short, there was no objection to taxation as long as there was accountability and representation for expatriates.

Expats are conscious of the fact that times have changed for all Gulf economies and especially in Dubai, but they are equally willing to adapt to the new climate, in terms of making independent provision for their and their families' future.

In return, they want a new deal from the governments of the region, to guarantee their security and future prosperity.

Frank Kane is a 20-year veteran of the UK media's Fleet Street and currently is a columnist with The National newspaper of Abu Dhabi



In Death Do Us Part

Nita Maru, lawyer and founding director of legal consultancy firm The Wills Specialists, makes a strong case for writing a will in the desert.



OFT-REPEATED concerns for safety and security in the Middle East traditionally surround what it means to safeguard human life. But what many expatriates don't realise is the more pertinent need to protect the future of their kith and kin after they have died – preferably from natural causes.

An unexpected death is one of the most devastating things that can happen to any family, anywhere in the world. But imagine if in its wake their bank accounts are frozen, family assets distributed to warring factions and children entrusted to strangers.

These are just some of the things that can happen if proper preparation isn't considered.

After a lifetime of making money and managing its saving or spending, death puts a full stop to all such planning. For expatriates who have struggled to build their assets and want to preserve them for the betterment of their family after death, it is vital they get to grips with the single most important instrument to achieve these goals.

In most territories in the Middle East, there is a pressing reason to make a proper will.

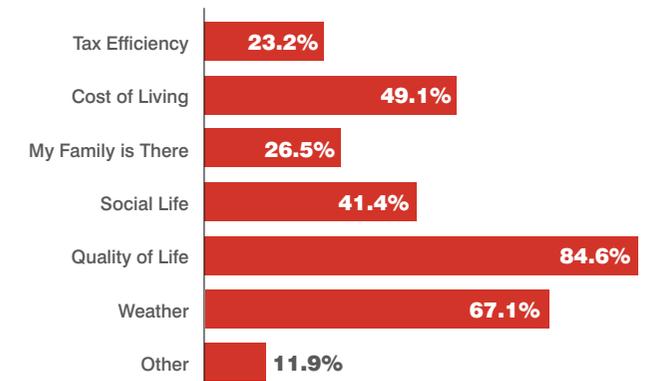
The Government of Dubai's official website, for example, states 'the UAE Courts will adhere to Sharia law in any situation where there is no will in place'. This means that if an expat lives and works there, and they die without having made a will, the local courts will examine your estate and potentially distribute it according to Sharia law.

While this may appear risk-free or even pleasing in theory, its implications and implementation may not be so in practice. Sharia adheres to a set method of distributing a person's wealth after death, and this is based on Islamic principles which are biased towards the males of a family. For instance, a wife who has children qualifies for only one eighth of the entire estate, and without a legal will, this distribution is automatically applied.

Unpaid bills, debts and mortgages do not automatically die with the death of a person. All personal assets, including bank accounts of the deceased, are seized and frozen until such time liabilities have been discharged to the satisfaction of the courts.

Application of Sharia law is particularly pertinent in circumstances where the deceased is under the sponsorship of his or her spouse and has a joint bank account or shared assets such as cars, rented agreements or freehold homes. These may be frozen until the issue of inheritance is determined by the local courts, and surviving family members are often left without access to money until

Why Would You Like to Retire There?



*HSBC EXPAT EXPLORER SURVEY

the authorities decide how the estate should be distributed, which could take months – even years.

Distribution under Sharia law tends to be at odds with what most expatriates intend. Dying intestate could leave a great deal of debt unpaid – and cause endless grief on the legal front – until the estate is finally dealt with by the UAE Courts, and the family's ongoing financial requirements are met.

Not only does the absence of a will affect the family financially, but it can also goad the authorities to intervene concerning guardianship of bereaved children. This is especially true in cases where death befalls both parents simultaneously. Unless a will specifies arrangements where family members or friends can raise the children, there is a possibility that their care may be entrusted to other parties.

In many parts of the Middle East, if there is no will, there is no certainty after death: whether a family will be provided for, who will look after a business, and when and how beneficiaries actually benefit.

To avoid all these issues, expatriates need to consult specialists in drafting wills in accordance with the law of their home country. This means that Sharia law will not automatically come into effect upon death.

Protection of family legacies in the Middle East is a complex and often underestimated area of the law. The Middle East is actually one of the safest places in the world to live. But secure planning for the future makes it even safer.



Nita Maru is a lawyer and founding director of legal consultancy firm The Wills Specialists, licensed by Dubai Legal Affairs Department and The Rulers Court, Government of Dubai



The Changing Face of Financial Planning

DAVID HUNT

Post-crisis, financial services companies in the Middle East have a tough task ahead of them. Customers are wary of firms 'pushing' inappropriate financial products; the firms themselves are finding it difficult to develop products for even more transient expatriates; expatriates often have very little knowledge of financial planning, and human resources managers often don't want to get involved in offering advice that might help.

IT DOESN'T HAVE to be this way. As the hiring behaviour of companies change, so must that of the people business employs. Education is the key. The financial services industry should make it a priority to inform customers about the advantages and disadvantages of an expatriate lifestyle and how to best position themselves for their long term financial future. In so doing, they will go some way to re-establish the trust that took such a knock in 2008.

This is not simply up to the industry. Government and regulatory authorities must also play a part. In the past, too little regulation has allowed 'fly-by-night' operators to tarnish the industry as a whole. However, in the wake of the financial crisis, regulatory bodies across the Middle East are becoming more pro-active in enacting new rules and regulations to protect customers and strengthen the financial services industry as a whole. The leading players in the financial services industry need to work alongside government to introduce sensible regulation to close this gap.

There also needs to be more due diligence from every side of the equation. Companies need to be more intense in their engagement with customers to make sure they are only selling the right products. Individuals need to be sure they are working with a respected financial services business, and regulators

need to be sure that it licenses businesses properly – and goes after those that flaunt the rules. Then there is customer service. The industry has a long way to go to improve the way it treats its clients, and key to this is the use of highly qualified relationship managers. These managers need to have a broader understanding of the markets they operate in – be able to advise not just on finance, but on things like the impact of Sharia law on a customer's wealth. There is a real

opportunity for positive change – and all of it will help rebuild that trust.

There is no question that expatriates will welcome these changes. According to HSBC Advance Values – research that identifies the core values, beliefs and drivers of the emerging mass affluent demographic across the globe (including the UAE and Egypt) – 37% of respondents were aiming to increase their personal wealth by 50% or more over the next five years, and three quarters intended to change their personal wealth either through investments (40%) or incremental salary increases (35%). Perhaps most tellingly, almost three quarters of respondents wanted advice on how to invest safely and see their money grow – and more than two-thirds believed they could get their money working harder if their banks gave them expert advice.

The fact is that with expatriates being given cash rather than benefits, or at least choice in the matter, there has never been a more critical time for the financial services industry to offer the right help in securing these resources for the long term. The simple use of multiple accounts – local, offshore, and home country – for example, can make a huge difference to an expatriates ability to manage their finances.

Things are changing. Human resources managers in our region are seeing the benefits of offering financial planning information at company inductions as a means to help retain quality staff. If business is responding to the sea-change in expatriate life, so must the financial services industry.

It must invest in customer education, the re-establishment of trust, and the highest levels of service. Rather than be able to make informed decisions, the region's expatriates will keep their money under a mattress if we don't.

David Hunt is HSBC's head of insurance for the Middle East. Prior to taking up his position, Hunt was managing director of SABB Takaful Company, an Islamic insurance company in Saudi Arabia

People's Financial Spending

Saving more	60.5%
Investing more	37.8%
Spending more	42.8%
Paying off more debt	19.9%
Accumulating more debt	5.3%
None of these	2.9%

Higher Learning

Education in the Middle East is complicated, fast-changing but ultimately full of potential for both expatriates and locals. HSBC's **Tim Harrison** explores the paths and pitfalls for expatriates and their children.





THE CURRENT CONSENSUS among education experts is that the Middle East's school report card should probably read 'must do better'.

A World Bank survey from 2008 spelled the situation out in stark terms: the region was falling behind and healthy socio-economic development would be impossible without drastic reform of education.

No university in the 22 member states that make up the Arab League is ranked anywhere close to the top of global academic league tables. The 2007 Trends in Mathematics Science Study (TIMSS), an international review conducted every four years, found that of the 48 states assessed at grade 8, none of the 12 countries from the Middle East and North Africa in the study made the top half of the list.

ENCOURAGING NOISES

But a couple of years is a long time in the fast-growing Arabian Gulf, where 'knowledge-based societies' are being vigorously pursued by perceptive leaders keen to diversify away from a dependency on oil.

The UAE, Qatar and Saudi Arabia are investing billions of dollars to entice the

world's best known universities to set up campus in the region.

Abu Dhabi, recently voted 'Best City in the Middle East' to work and live in, has attracted New York University, the Sorbonne and the London Business School. The pioneering Qatar Foundation has a cluster of the top US universities, including Texas A&M, Cornell and Northwestern. Saudi Arabia, with some 50% of its 20 million nationals under the age of 25, is spending a large proportion of the US\$385 billion approved by the Council of Ministers on education.

On the Kingdom's immediate to-do list are 25 new colleges of technology, 28 higher technical institutes and 50 industrial training institutes.

LOW ON QUALITY, HIGH ON COST

The money being spent on education in the Gulf may be impressive, but everyone would agree there's still a huge amount to be done – particularly in terms of the quality of teaching at primary and secondary level.

The improvement of teaching standards in the Middle East is on the top of most parents' wish list, with Singapore's enlightened approach to the teaching profession often

Major growth for region's schools

Alpen Capital's *GCC Education Industry* study predicts that the total number of students in the countries of the GCC will grow from 9.5 million in 2010 to 11.3 million in 2020 at a compound annual growth rate (CAGR) of 1.8%.

Growth will be fastest for tertiary education, which is expected to increase by 5.5% during this period. Meanwhile, the number of private schools in the region is expected to experience a 3.2 CAGR between 2010 and 2020, though public schools are on a more modest growth curve of 0.9%. Alpen Capital predicts that by 2020, 6,200 additional schools will be required to meet rising demand.





touted as a benchmark to emulate. In the Asian entropot, only the top 30% of graduates are permitted to apply for teacher training and only one in six is accepted. Teaching is now one of the most prestigious jobs in the country.

By contrast, the quality of education in the Middle East is undermined by uncertainty – expatriate teachers rarely gain long-term contracts, leading to more temporary-minded applicants taking charge in the classroom.

The regular complaint by expatriates, who make up about one third of the approximately 36 million population across the GCC, is that education is treated as nothing more than a profit centre by private investors seeking healthy returns on investments.

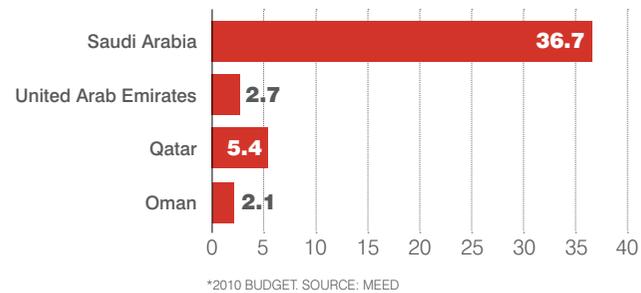
LOCAL CHALLENGE

The challenge for Gulf nationals is to build a motivated young population when, in many instances, the state guarantees to employ and house all graduates.

At the legislative level, moving the education agenda forward will require that governments streamline systems and clarify roles and responsibilities.

It has been noted that Bahrain is going about things in the right way. It recently separated the Education Ministry from the

GCC Spending on Education* (\$bn)



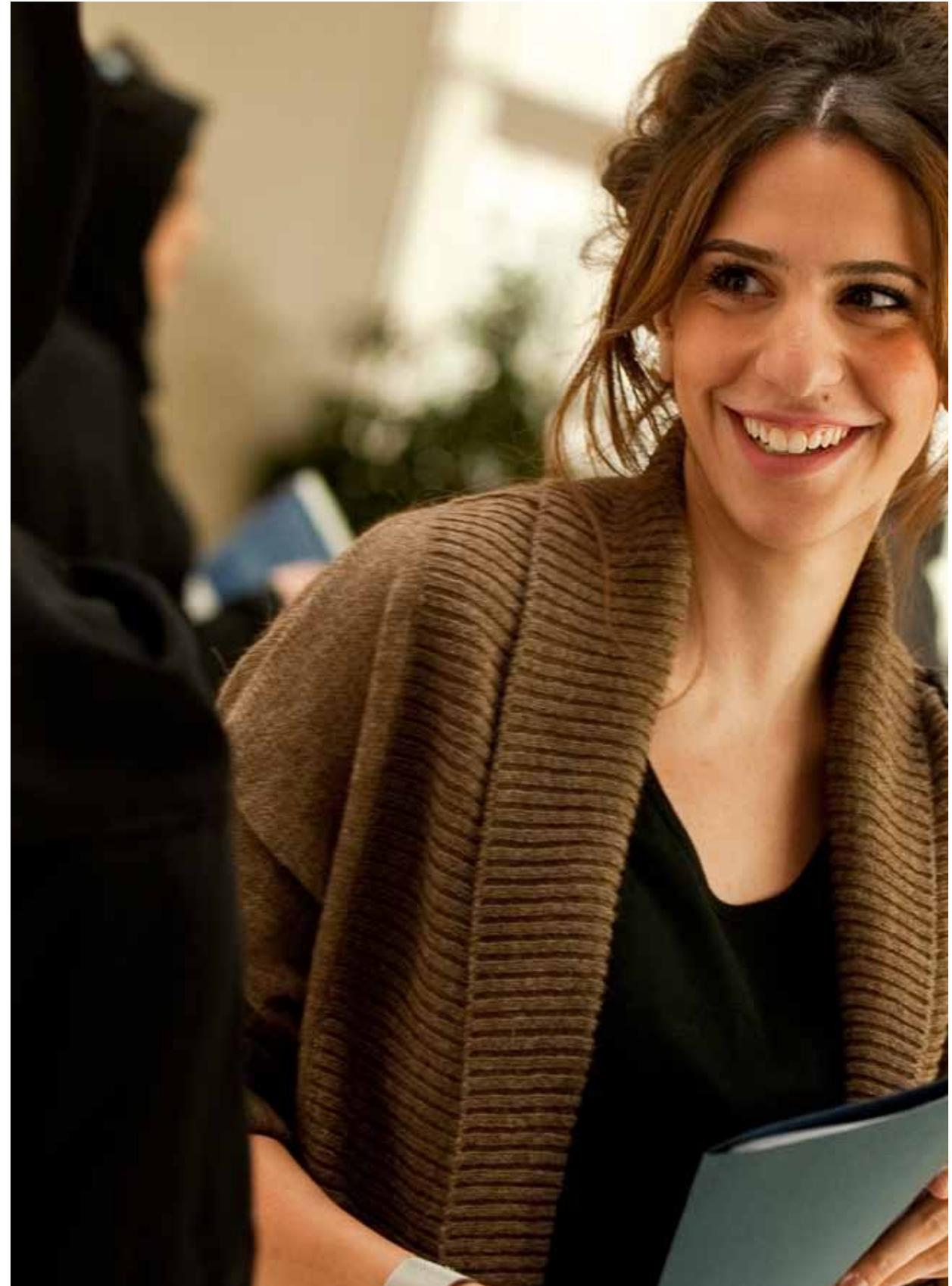
body in charge of standards testing to enable independent scrutiny of standards. But this is by no means a universal push.

High-level strategies also need to sync with specific socio-economic goals, with much emphasis on moving more local graduates into the private sector rather than the preferred public sector.

This task will require extensive engagement with stakeholders in the business community, local community groups, human capital development organisations, private and public universities, and government agencies.



Tim Harrison, an expat resident in the Gulf for the past six years, is currently HSBC's head of corporate communications for the Middle East





A Change is as Good as a Break

GEOFF BROOKS

HSBC's *The Future of Retirement* study of 2009 showed that 87% of people surveyed had no idea what their retirement earnings would look like. That is a lot of people, and included a staggering 43% who had actually made provision for it. Strange?

WELL ACTUALLY, NO. Because retirement as a concept has changed a huge amount in the past 10 to 15 years.

In the old days, one worked for two or three companies in the course of a lifetime; one would accrue salary benefit and retire, aged 60, and stay retired.

Pension schemes originated at a time when life expectancy after retirement was two or three years. They were supposed to offer a couple of years of comfort. Today, life expectancy is 20 to 30 years post-retirement.

What HSBC studies have shown time and again is that people no longer really retire. They change their working habits; try a different vocation, perhaps, or do something in the voluntary sector. But the whole concept of 'off-the-cliff' retirement is outmoded at best.

This is a remarkable opportunity for the financial services industry to come up with new ways of engaging its customers – ways that have not been tried in their home countries.

Providing quality information – an education even – to employees will not just help them understand how they can benefit from good financial planning, but also take into account the fact the whole model of retirement has changed.

As expatriates increasingly receive variable and bonus-related pay, they can choose to increase funding into a pension, but might also be rewarded through means like shares, or choose to invest their money in property.

Pensions are being eroded, and shares and property move in a cyclical way. When one saves for retirement, the sequence of boom and bust does not appear to matter, but it matters absolutely at the point of retirement – when these assets are all you have.

So the question is: what does one need to do to prepare oneself for the potential financial shocks of the future?

The answer is a series of tools available in the market. At one end of the spectrum there are products that offer a guaranteed income – at the most extreme a guaranteed lifetime annuity. At the other end, one can invest in a broad portfolio of different assets and take one's chances longer term with the market.

There is a middle way. It combines both options. And it is probably here where the financial services industry can educate the most – where they can show customers that they can keep control of their capital, but also guarantee a certain level of income from their assets.

Geoff Brooks is HSBC global head of LPI (Wealth) Insurance Overseas. The HSBC Future of Retirement Study is the largest of its kind in the world, interviewing 21,000 people across 21 countries

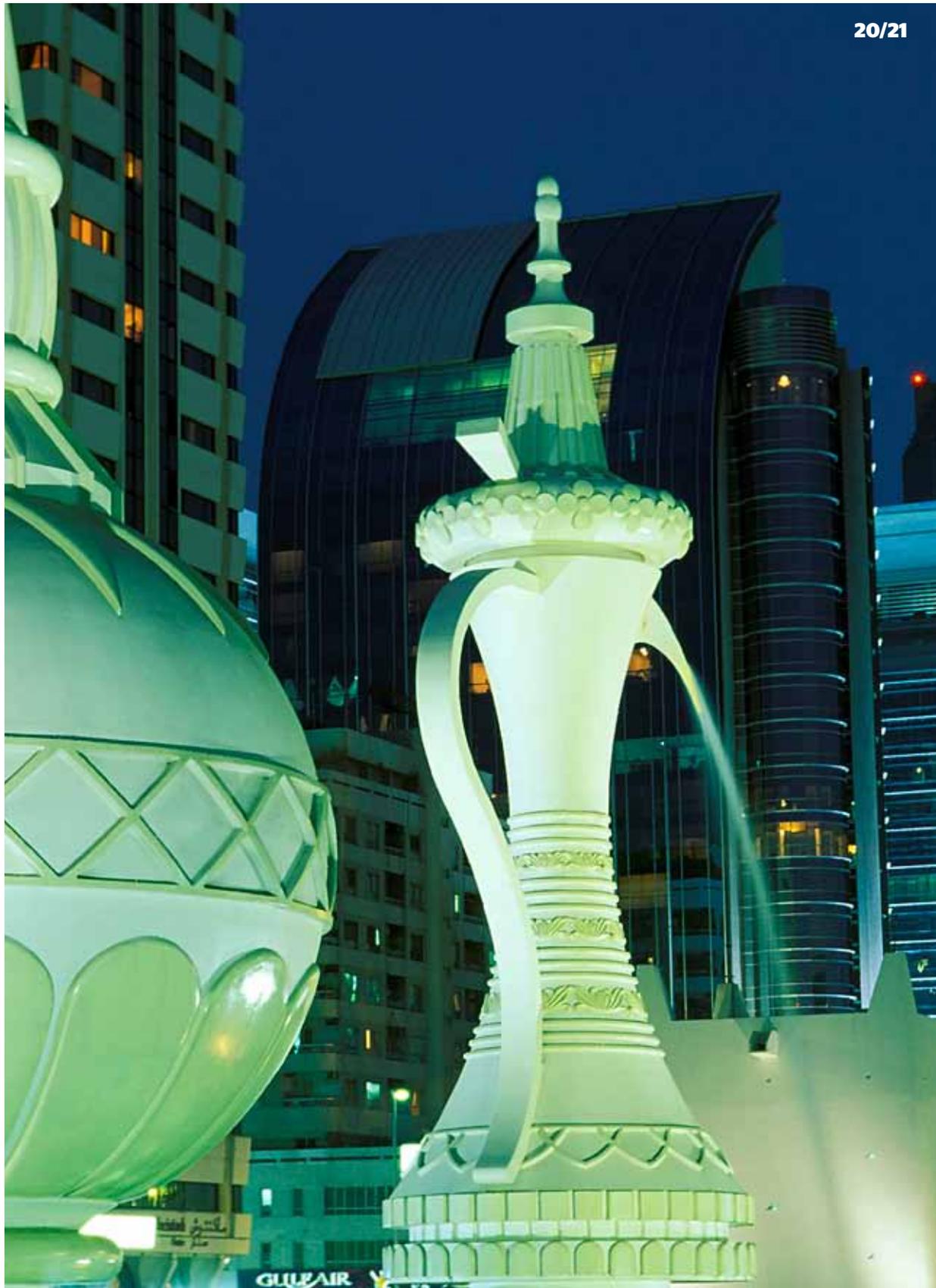
13%

Currently, just 13% of people around the world feel that they are very well prepared to cope with their future of retirement.



The work-life balance

The first-ever *Best Cities of the Middle East & North Africa 2010* report, conducted by Bayt.Com and YouGovSiraj, revealed that the cities that embrace the best standards in the workplace and prioritise lifestyle choices will emerge as the most attractive places to work and live in the Middle East in the years to come.



ABU DHABI, WHICH is spending US\$15 billion on turning the island of Saadiyat into the city's cultural corridor, was voted Best City in the Middle East and North Africa to live and work in.

The MENA survey, which ranked Muscat and Dubai second and third respectively, focused on five areas upon which to choose the region's top location – economic factors, labor rights, environmental factors, everyday life and socio-cultural factors.

Its results show that 'work-life balance' has become much more important to residents of the Middle East, and that governments will have to adopt best-in-class policies if they want to attract and retain top professionals.

In considering economic factors, 85% of respondents stated that the availability of jobs was the most important criterion in judging a city. That is not surprising considering that the recent global economic turmoil gave tens of thousands of foreign professionals working in the Middle East their first-ever taste of unemployment and economic insecurity.

The Economic Factors section contained four other key elements relating to a given individual's life in a city. Either directly or indirectly, each of these elements plays a crucial role in shaping overall quality of life.

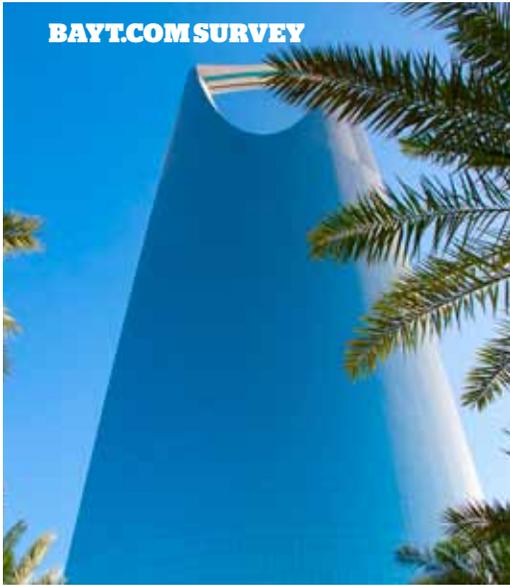
They were taken as follows (and ranked here by order of 'extreme' importance to respondents):

- 1 Availability of jobs: 85%
- 2 Reasonably priced day-to-day amenities: 83%
- 3 Availability of affordable housing: 80%
- 4 Competitive salaries: 74%
- 5 Benefits for working parents: 60%

The cities that scored extremely well in economic factors were ranked in the following order, starting from the highest to the lowest: Manama, Doha, Dubai, Abu Dhabi, Riyadh, Sharjah, Kuwait City, Tunis and Jeddah.

The remaining criteria upon which respondents were surveyed indicated that people in the region highly valued cities that were built to cater for professional work environments. This is also not surprising considering that most expats are attracted to this region for its employment opportunities and for career advancement.

FOR INSTANCE, the Labor Rights section consisted of five key elements that could affect the lives of individuals in the city in which they reside. These are considered not only crucial for working professionals but also



for the non-working population, including housewives and children. These were identified as follows, ranked here by order of 'extreme importance' to respondents:

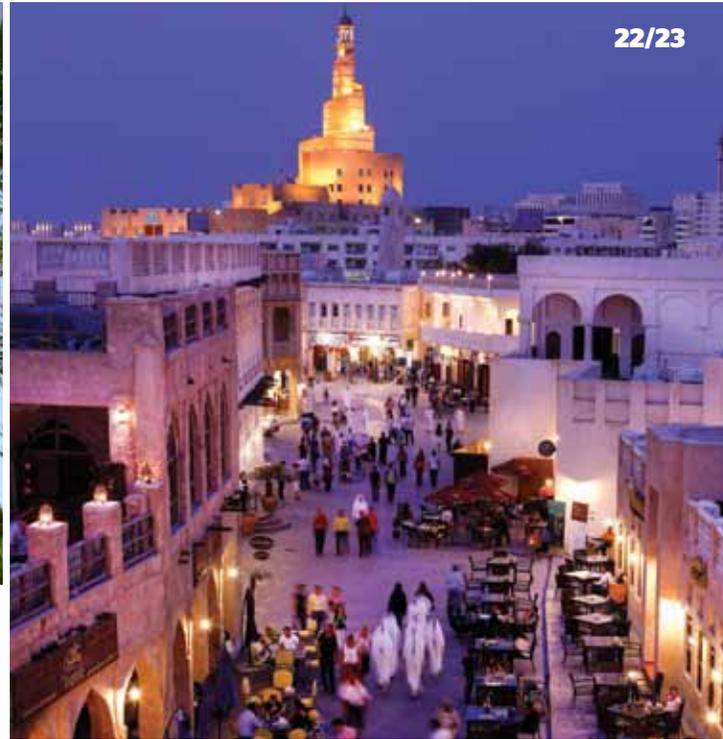
- 1 A wage protection system: 77%
- 2 End of service benefits: 74%
- 3 Termination rights: 62%
- 4 Vacation allowances: 59%
- 5 Parenthood allowances: 57%

The cities that scored well in the Labor Rights section were ranked in the following order starting from the highest to the lowest: Abu Dhabi, Manama, Muscat, Dubai, Tunis, Doha, Sharjah, Kuwait City, Rabat and Aleppo.

Three cities in the UAE – Sharjah, Dubai and Abu Dhabi – were often found to be in the region's top cities in all categories. This is a reflection of the Emirates' diversity and its long commitment to develop the country's soft and hard infrastructure.

This success was most pronounced in the area of Healthcare, which was illustrated in the Everyday Life elements section of the survey. This section of the survey took into account 11 diverse aspects that can be considered to have a direct impact on the overall standard of life in a city. These are ranked as follows in order of extreme importance to total respondents:

- 1 The availability of healthcare facilities: 84%
- 2 The quality of healthcare facilities: 84%
- 3 The water/electricity/sewage systems: 82%
- 4 The quality of available schools: 80%
- 5 The availability of schools: 79%
- 6 The quality of colleges and universities: 78%



- 7 The availability of colleges and universities: 74%
- 8 An accessible public transportation system: 67%
- 9 The quality of accessible public transportation: 64%
- 10 The availability of parks and community gardens: 59%
- 11 The availability of a wide range of entertainment: 52%

The cities that scored extremely well in Everyday Life Factors were ranked in the following order starting from the highest to the lowest: Abu Dhabi, Dubai, Tunis, Sharjah, Muscat, Manama, Kuwait City, Amman, Beirut and Marrakech.

Environmental Factors and Socio-cultural Factors were the final two categories of the survey, which analysed and gauged the relative importance of a range of issues related to comfort and cleanliness that affect the overall quality of life in a city. In the end the final results, taking all factors into consideration, revealed that the following cities scored as the top 10 cities in the MENA region:

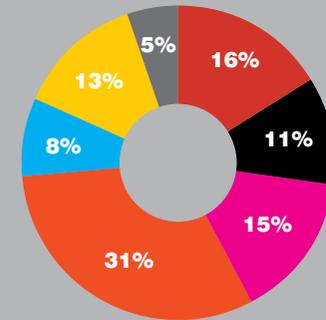
- 1 Abu Dhabi
- 2 Muscat
- 3 Dubai
- 4 Manama
- 5 Tunis
- 6 Sharjah
- 7 Doha
- 8 Kuwait City
- 9 Marrakech
- 10 Amman

Bayt.com is the number one job site in the Middle East, which hosts more than 5 million registered jobseekers and 40,000 registered employers from around the MENA region and the globe. To see the full survey results, visit www.bayt.com/en/research-reports

In late November 2010, a large group of business owners, bankers, lawyers and human resources specialists came together in Dubai under the aegis of HSBC to discuss the future of work and retirement in the Middle East. Entitled **Working in the Middle East. Are you covered?**

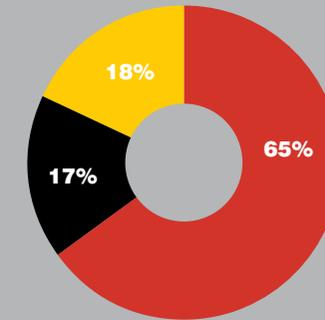
The forum itself was a microcosm of expatriate employers and employees present in the region, and delegates were polled for their opinions of working in the Middle East.

1. Which of the following sectors best describe your occupation?



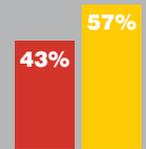
- Human Resources
- Recruitment
- Consultant
- Financial Services
- Professional Services
- Media
- Other

2. Are you working for...



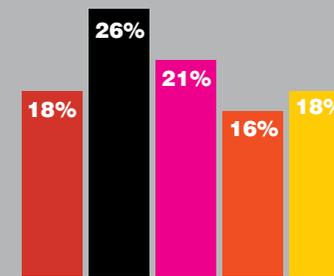
- An International Company
- A Regional Company
- A Local Company

3. Is the UAE moving towards a younger singles/couples with no children, expat employment market?



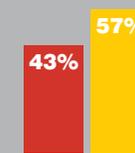
- Yes
- No

4. If you answered 'Yes' to Question 3, is it because of...



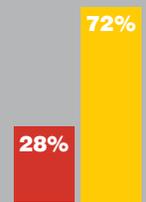
- Cost of Living
- Quality/Cost of Education
- Career Opportunities
- Company Policy
- Other

5. Do you currently have an expat package - defined as a basic salary with additional housing, schooling and relocation allowances



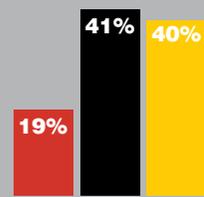
- Yes
- No

6. If you answered 'No' to the previous question, have you had an expat package in the region before?



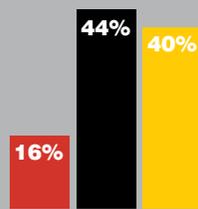
- Yes
- No

7. If you answered 'Yes' to currently having an expat package, is it...



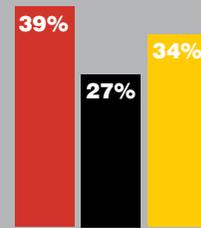
■ More Generous than Before
 ■ Less Generous than Before
 ■ Same as Before

8. Have any of your expat benefits been reduced over the past 24 months?



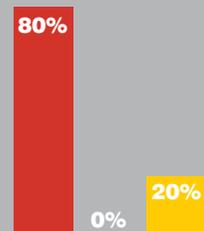
■ Yes
 ■ No
 ■ Stayed the Same

9. Are employers now less likely to hire expat staff requiring family status than single status staff?



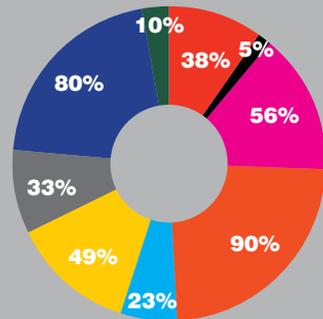
■ Yes
 ■ No
 ■ Don't Know

10. Since the financial crisis took its toll, do you feel more or less obligated to provide for your own financial protection and planning?



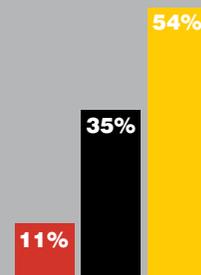
■ More Obligated
 ■ Less Obligated
 ■ Same

11. Which of the following benefits does your employer provide?



■ Critical Illness Insurance
 ■ Pension Plan
 ■ Gratuity
 ■ Home/Contents Insurance
 ■ School Fees
 ■ Flights to Home Country
 ■ Life Assurance
 ■ Medical Insurance
 ■ DEWA

12. On a scale of one to ten, how happy are you living and working in the UAE?



■ Less Than Satisfied
 ■ Satisfied
 ■ More Than Satisfied

