OUR BEST DAYS ARE AHEAD OF US

ASDA'A Burson-Marsteller

ARAB YOUTH SURVEY 2013

Algeria Bahrain Egypt Iraq Jordan Kuwait Lebanon Libya Morocco Oman Qatar Saudi Arabia Tunisia UAE Yemen

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"Our best days are ahead of us."
A White Paper on the Findings of the ASDA'A Burson-Marsteller Arab Youth Survey 2013

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www.arabyouthsurvey.com

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LETTER FROM THE CEO

"This substantial investment in thought leadership demonstrates our firm belief in the principle of evidence-based communications."

Every year ASDA'A Burson-Marsteller conducts the Arab Youth Survey because we understand how important it is to access reliable data here in the Middle East, where research into public opinion is often limited. This substantial investment in thought leadership demonstrates our firm belief in the principle of evidence-based communications.

The aim of this annual survey, now in its fifth year, is to present evidence-based insights into the attitudes of Arab youth, providing public and private sector organisations with data and analysis to inform their decision-making and policy formation.

Our first study in 2008 evaluated the hopes and aspirations of 1,500 Middle East youth between the ages of 18 and 24 in six countries: Saudi Arabia, UAE, Kuwait, Qatar, Egypt and Jordan. This year's edition is a cross section of the opinions of 3,000 young Arabs in 15 countries across MENA, with the insights of young people in Morocco, Algeria and Yemen included for the first time. As the issues affecting our region become ever more diverse and far-reaching, so the footprint of our research continues to expand.

The upheaval precipitated by the onset of the Arab Spring in late 2010 is still being felt today, although the opinions and priorities of young Arabs across the Middle East have evolved since the initial wave of protests swept from Tunisia to neighbouring countries in North Africa. Despite the turmoil in some parts of the Arab world, compounded by the daunting economic challenges of providing for a rapidly growing population, regional youth are defined, above all, by their unwavering confidence in a better tomorrow.

That is the dominant finding of our latest Arab Youth Survey and why we have entitled the fifth edition of our annual research "Our best days are ahead of us".

The Middle East and North Africa is much changed since the first Arab Youth Survey in late 2008. Indeed, five years ago is another era. Back then, the world was just coming to terms with the worst economic downturn since the 1930s, and few predicted the social and political awakening the Arab world has experienced over the last two years.

While it is simplistic to attribute the events of the Arab Spring to the advent of social media, it is certainly true that ubiquitous digital technology has allowed

Middle East youth to project a powerful collective voice. An echo of that voice has been captured in our newest survey.

What we find is a community proud of what they have achieved and excited by their untapped potential. Various commentators have observed that it is suddenly "cool" to be an Arab in the wake of the uprisings. Middle East youth concur, displaying a stronger sense of national identity and a shared belief in a brighter future. Nearly nine out of 10 say they are more proud to be an Arab today, and this heightened self-esteem is notable in each of the countries surveyed.

While the comparison may be inexact, it is worth highlighting that Arab youth appear to be much more confident in the future direction of their country than is the global population as a whole.

For example, in the most recent Pew Global Attitudes Survey, conducted in 2012, when asked if they were satisfied with the way things were going in their country of residence, the majority of the population in just three countries worldwide answered "yes" – in China, Germany and Egypt.

By this same barometer, each of the 15 Arab countries surveyed would figure among the most satisfied nations on earth.

In Spain, where per capita GDP stands at US$30,000, just 10% of the population feels their country is moving in the right direction, according to the Pew poll. By comparison, according to our Arab Youth Survey, 52% of Yemeni youth – who live in a country with a per capita GDP of just over US$2,000 – believe their country is moving in the right direction.

Of course, this picture of region-wide optimism should not be allowed to obscure the grave challenges confronting the Middle East. Fair pay is the highest priority of regional youth for the second consecutive year, while owning their own home is their next top priority – even more important than living in a democracy. And there are divergent views on the economic prospects available in the different countries, with unemployment cited as a top concern. More than 40% of Arab youth either know a friend or family member who has lost their job, or have been laid off themselves in the last 12 months: a frightening statistic considering Middle East unemployment is already twice the global average.

Arab youth agree that civil unrest and the lack of democracy are the two biggest barriers to the region's future development, and display a growing frustration with the political direction of their country. But their biggest worry is the rising cost of living, with nearly two-thirds saying they are "very concerned" about the issue, up from 57% two years ago.

Unsurprisingly, the liberal and cosmopolitan outlook of the UAE, not to mention its resilient economy, continues to resonate with young people in MENA, who name the country as their preferred country of residence anywhere in the world. It is also the country they would most like their own nation to emulate.

The perception of traditional regional powers such as the United States and the UK continues to decline in favourability, particularly so when comparing this year's research with our 2011 study, while France is regarded the most favourably among nations outside MENA for the second consecutive year. Emerging markets are also prominent, with China ranked third most-favourable behind Germany and nearly a third of youth describing their view of India as "very favourable", a slight increase from last year.

Considering that the Arab Spring is widely, if inaccurately, described as a social media revolution, the marked increase in Internet usage identified in our survey is somewhat expected. Perhaps more surprising is the sharp rise in trust in social media sources – an alarming development for newspaper publishers, who have seen a drop in the percentage of young people describing newspapers as their primary source of news.

We hope the findings of the latest ASDA'A Burson-Marsteller Arab Youth Survey are enlightening, even if some of the results are disquieting, and that the research will contribute to further constructive dialogue on realising the hopes and aspirations of young people across the Arab world.

Sincerely,

Sunil John
Chief Executive Officer
ASDA'A Burson-Marsteller

SURVEY METHODOLOGY

The ASDA'A Burson-Marsteller Arab Youth Survey 2013 was conducted by international polling firm Penn Schoen Berland (PSB) to explore attitudes among Arab youth in 15 countries in the Middle East and North Africa (MENA) region. PSB conducted 3,000 face-to-face interviews between December 2012 and January 2013 with Arab men and women aged 18 to 24.

The survey is the most comprehensive of its kind covering the six Gulf Cooperation Council states (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE), Egypt, Jordan, Lebanon, Libya, Iraq and Tunisia, and three new countries added this year: Algeria, Morocco and Yemen.

"The survey is the most comprehensive of its kind..."

Participants were interviewed in-depth about subjects ranging from the political to the personal. Topics explored included the concerns and aspirations of Arab youth, their views on the economy and the impact of the Arab Spring, their media consumption habits, and attitudes towards traditional values and the people who influence them.

Respondents, including exclusively nationals of each of the surveyed countries, were selected to provide an accurate reflection of each nation's geographic and socio-economic make-up. The entire sample was weighted to include 20% of respondents from the AB socio-economic group and 40% from both the C1 and C2 groups.

The gender split of the survey is 60:40 male to female. The margin of error of the ASDA'A Burson-Marsteller Arab Youth Survey 2013 is +/-2.19%. There were 200 respondents for each country represented in the survey, except for the UAE, Saudi Arabia and Egypt, with 250 respondents each, and Algeria, Oman and Yemen, with 150.

The geographic location of respondents was also taken into account by PSB when developing the fieldwork methodology – with, for example, 40% of Saudi Arabian respondents in Riyadh, 40% in Jeddah and the remaining 20% in Dammam.

In the same way, UAE respondents were drawn from three of the country's emirates: Abu Dhabi,

Original 2008 countries

UAE N=250	OMAN N=150	QATAR N=200	BAHRAIN N=200	KSA N=250	KUWAIT N=200	EGYPT N=250	JORDAN N=200	LEBANON N=200
Dubai 40%	Muscat 50%	Doha 55%	Manama 100%	Jeddah 40%	Kuwait City 20%	Cairo 50%	Amman 50%	East Beirut 40%
Sharjah 20%	Batinah 50%	Al Rayyan 45%		Riyadh 40%	Al Hawalli 30%	Alexandria 25%	Irbid 25%	West Beirut 40%
Abu Dhabi 40%				Dammam 20%	Al Ahmadi 20%	Mansoura 25%	Zarqa 25%	Tripoli 20%
					Al Farwaniya 30%			

New in 2011 / New in 2012 / New in 2013

IRAQ N=200	TUNISIA N=200	LIBYA N=200	ALGERIA N=150	MOROCCO N=200	YEMEN N=150
Baghdad 50%	Tunis 50%	Tripoli 50%	Algiers 50%	Fes 25%	Sana'a 50%
Irbil 25%	Sfax 25%	Benghazi 25%	Oran 25%	Salé 25%	Al Hudaydah 25%
Basrah 25%	Susah 25%	Misrata 25%	Constantine 25%	Marrakech 25%	Ta'izz 25%
				Casablanca 25%	

Dubai and Sharjah; Kuwait's youth from four distinct regions: Kuwait City, Al Hawalli, Al Ahmadi and Al Farwaniya; Lebanese youth from East and West Beirut, and Tripoli; Tunisian youth from Tunis, Sfax and Susah; Moroccan youth from Casablanca, Fes, Salé and Marrakech, and so on across each country.

When analysed, this geographic spread provides a more accurate national picture than findings based solely on the responses of those living in capital cities.

PENN SCHOEN BERLAND

TOP 10 FINDINGS

What do 200 million Arab youth have to say about their future?

1

Majority of Arab youth believe that "our best days are ahead of us".

3

Fair pay remains the top priority of Arab youth.

As in 2012, being paid a fair wage is of greatest importance to young Arabs across the Middle East, while unemployment continues to be seen as one of the region's gravest challenges.

2

Arab youth have more national pride since the Arab Spring.

Middle East youth have a greater sense of national identity following the uprisings, reflected in their confidence that the region's best days are ahead.

4

Home ownership is increasingly important.

Owning one's own property is considered more important than living in a democracy, but young Arabs are preparing to purchase property later in life and many fear they never will be able to own their own home.

Rising living costs continue to be the top concern among Middle East youth.

Anxiety about living costs is evenly split across GCC and non-GCC states, and noticeably up from two years ago.

The UAE continues to be seen as a model nation.

Looking across the Middle East and the world, the UAE is the country where most Arab youth would like to live – and the country they would most like their own nation to emulate.

News consumption is falling and newspaper readership is hardest hit.

News interest has waned as events of the Arab Spring recede, but Middle East youth continue to rely on TV as their main source of news.

Civil unrest and lack of democracy are the biggest barriers facing the region.

Youth in all 15 countries surveyed cited both of these issues among the top two obstacles facing the Arab world.

Among nations outside MENA, France viewed most favourably by Arab youth.

When considering foreign relations, Arab youth view France most favourably, followed by Germany and China; favourability towards the US is highest in Oman while the UK is viewed most favourably in Egypt

Social media is becoming increasingly influential.

More young Arabs are getting their news from social media while trust in websites and social media as reliable news sources has risen sharply from 2012.

IN-DEPTH INSIGHTS

Majority of Arab youth are optimistic of the future and believe that "our best days are ahead of us."

1

Despite serious concerns about the rising cost of living, access to employment, civil unrest and the lack of democracy, nearly three-quarters of Arab youth (74%) agree with the statement that "our best days are ahead of us."

Indeed, in each of the 15 countries surveyed, the clear majority of regional young people expressed confidence in the future. Notably, a nearly equal percentage of youth in Gulf and non-Gulf states (76% and 72%, respectively) agree that "our best days are ahead of us."

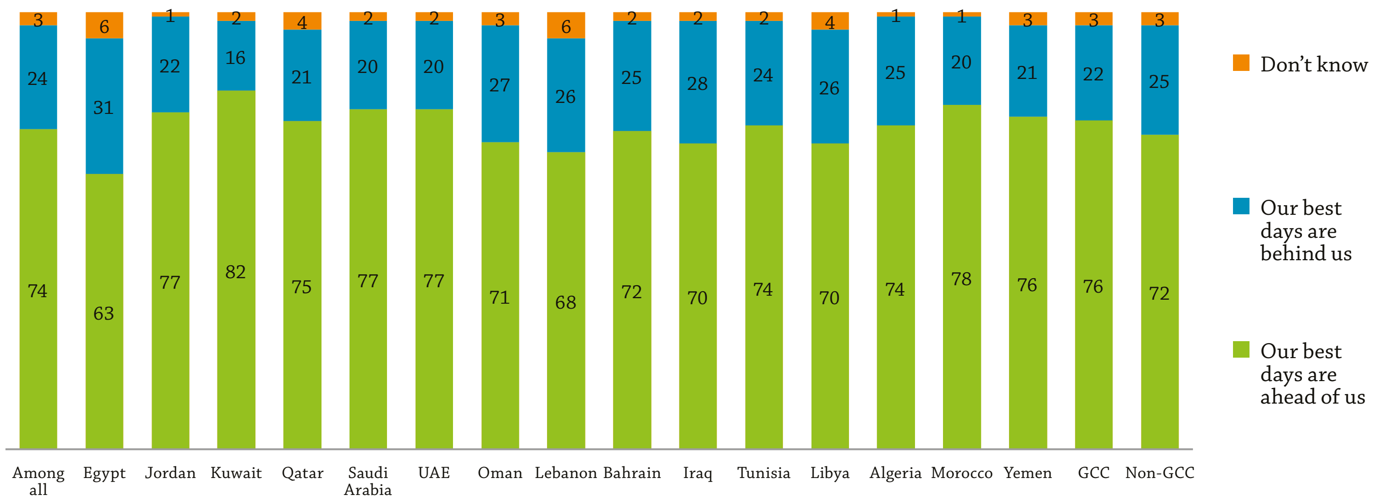
Youth in Kuwait maintain the strongest faith in a brighter future, with 82% stating that "our best days lie ahead." Youth in Morocco (78%), Jordan, Saudi Arabia and the UAE (77%) are similarly optimistic.

Meanwhile, 67% of all those surveyed say they "feel optimistic about what the future holds for my country". Again, the majority of youth in all 15 countries agree with this positive statement.

One year after the withdrawal of US troops from their country, young Iraqis are the most optimistic about the future, with 71% expressing optimism.

Considering the last 12 months, 58% in the 15 countries surveyed believe their country is "heading in the right direction", a marginal increase from 2012, when 55% agreed with this positive statement. Optimism is highest in the UAE (88%), Oman (80%) and Saudi Arabia (77%), while nearly half (49%) of those surveyed in countries outside the Gulf also believe their country of residence is heading in the direction, a slight increase compared with the year before. Libyan youth, however, are markedly less confident in the direction of their country, with only 43% agreeing that their country is heading in the right direction, compared to 70% in 2012. Just 37% of Lebanese youth feel that their country is heading in the right direction. Young Tunisians are likewise pessimistic about the future, with only 42% agreeing that their country is heading in the right direction.

Gulf youth (71%) are far more optimistic about the future direction of their country than are their peers elsewhere in the region (49%). Gulf youth are also markedly more optimistic about the future direction of their country than they were last year,



when only 63% agreed with this claim. Meanwhile, thinking about the last five years, fully 95% of Emirati youth now feel that their country is heading in the right direction, making UAE nationals the most optimistic among all youth surveyed.

A majority across the 15 countries are also hopeful for an improvement in their economic prospects, with 55% of all Arab youth saying their national economy is heading in the right direction. When asked about their confidence in the direction of the economy of the region as a whole, Arab youth are even more optimistic, with 60% of those surveyed stating they believe the regional economy is heading in the right direction. Indeed, with the exception of youth in Qatar and Saudi Arabia, each nation's youth expressed greater confidence in the outlook for the Middle East economy than for their own domestic economy. The majority of Arab youth feel that the Arab Spring has had a positive effect, with roughly half (45%) believing their government has become more transparent and representative, and 59% saying recent changes in their country will have a positive impact on them and their family. Seventy per cent, a slight decrease from 72% in 2012, believe the Arab world is "better off" since the uprisings and two-thirds (67%) feel personally better off.

In Egypt, however, 35% of all youth say that they "feel anxious about what the future will bring." Indeed, fully 56% of all Egyptian youth also agree with the claim: "I feel like I have fewer opportunities now than I did a year ago."

When asked about the future direction of their country while thinking about the last five years, only 58% of Egyptian youth agree that their country is heading in the right direction. That represents a sharp decline from 74% in 2012, a period when confidence spiked, especially compared to previous confidence levels of 38% in 2011 and 26% in 2010.

Interestingly, young Moroccans most strongly believe that they now have more opportunities than they did a year ago, with 63% agreeing with this statement.

Regional youth are very proud of their Arab identity – especially in the wake of the Arab Spring – and increasingly embrace modern values and beliefs.

2

Nearly nine out of 10 young Arabs (87%) agree with the statement: "Following the events of the Arab Spring, I am more proud to be an Arab". Out of that number 59% agree "a lot" and 28% "somewhat agree" with the statement.

Among the countries displaying the greatest sense of Arab pride are Qatar (where 66% agree with the statement "a lot"), Yemen (65%) and Tunisia (65%), the latter widely regarded as the birthplace of the Arab Spring. Meanwhile, youth in Algeria, Iraq and Libya appear less motivated by Arab pride, although a majority of respondents still agree with the statement enthusiastically (51%, 52% and 54%, respectively).

This generalised sense of pride among Arab youth is reflected in a broad range of areas, including in their confidence in the domestic and regional economic outlook, and in their shared belief that tomorrow will be better than today.

That pride also manifests itself in the role models of young Arabs: when asked who most influences them and their outlook on life, Arab youth look close to home, identifying as "very influential" parents (73%), religion (69%) and family (66%). With the notable exception of athletes and musicians/pop stars, young Arabs say that they are most influenced by those who are either from their country or the wider Middle East region.

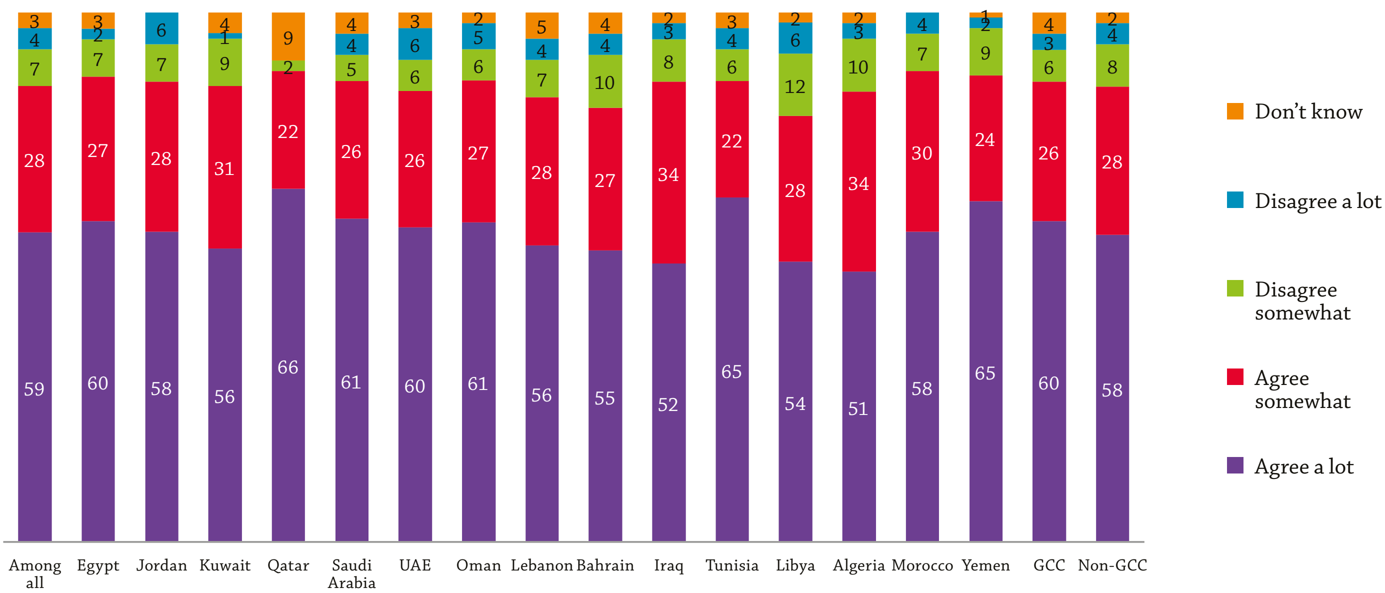
Only 6% of those surveyed say that writers from the West strongly influence them, and just 7% feel they are strongly influenced by Western political figures.

Interestingly, 33% of those surveyed say that their domestic media strongly influences them – a much higher percentage (52%) identifies regional media as "very influential". A fraction of that figure (15%) cites Western media as "very influential".

There is not necessarily a contradiction in the fact that regional youth are very proud of their "Arab" identity while also adopting increasingly modern values and beliefs.

Today, four out of 10 young Arabs agree with the statement: "Traditional values are outdated and belong in the past; I am keen to embrace modern values and beliefs". That trend towards the adoption of modern values is pronounced over the past three years, with just 17% embracing modern values in 2011, rising to 35% in 2012 and 40% this year.

Q: *How far do you agree or disagree with the following? "Following the events of the Arab Spring, I am more proud to be an Arab" (%)*



Getting paid a fair wage remains, by far, the highest priority of Arab youth, while youth unemployment in the region continues to be viewed as a major challenge.

3

For the second consecutive year, "being paid a fair wage" remains the priority of Middle East youth – cited as the highest priority of 82% of those surveyed, mirroring the 2012 findings. The importance of fair pay is highest in Jordan (87%) and Lebanon (86%) but also a top priority in wealthier Gulf countries such as Kuwait, Qatar and the UAE, where 84% describe being paid a fair wage as "very important".

Meanwhile, 41% of respondents in the Gulf and 46% in non-Gulf countries are "very concerned" about unemployment (see page 18). Forty-three per cent of all youth either know a friend or family member who has lost their job or have been laid off themselves in the last year. Fifty-three per cent also say the company they work for has decreased in size over the last 12 months, with 48% of respondents in the Gulf and 57% outside the region saying their employer has downsized.

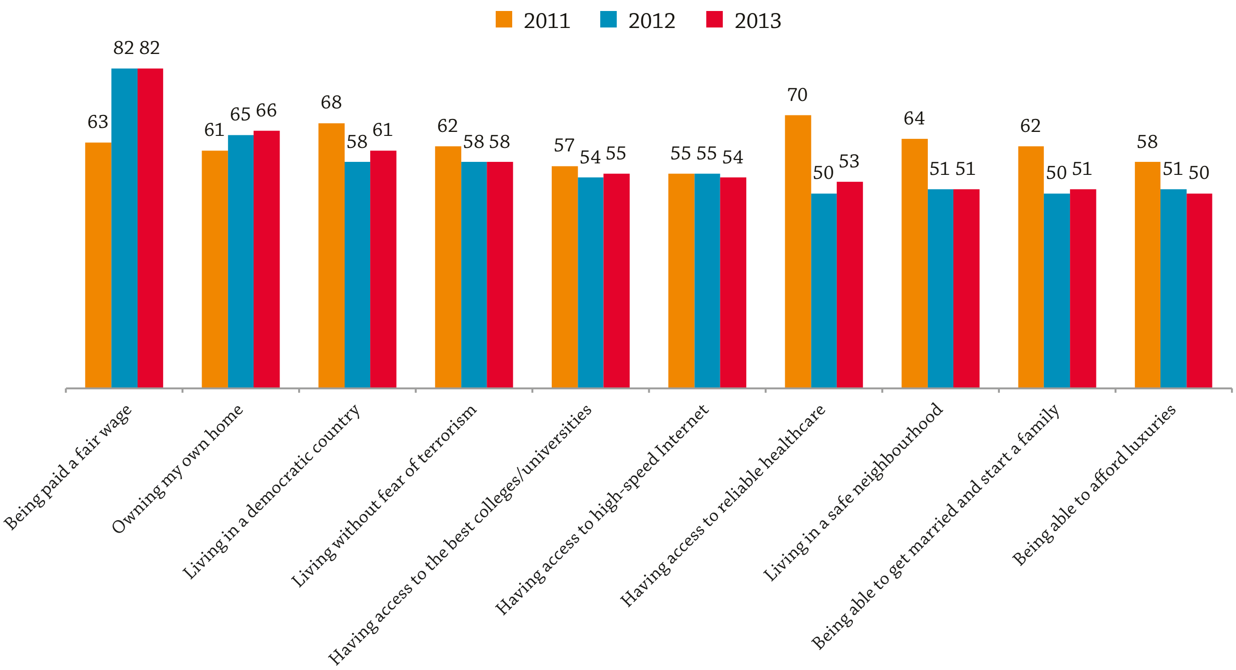
Arab youth appear to be increasingly ambivalent about whether they work in the public or private sector. The preference for government employment has dropped nearly 10% (from 55% in 2012 to 46% this year), while a collective 28% say they either don't have a preference or don't know. The proportion of youth opting for private industry has decreased slightly, from 28% in 2012 to 26% in the 2013 study.

Youth in Qatar (58%), the UAE (54%) and Algeria (52%) most strongly prefer to work for the public sector; among their peers, those who most strongly prefer private-sector employment include young Egyptians (41%), Lebanese (40%) and Bahrainis (32%).

Surprisingly, given the high level of economic insecurity among regional youth, "good pay" does not top their list of priorities when they are thinking about applying for a job. Indeed, while 40% of all those surveyed said that salary is "very important" to them, this was only fifth on their list of priorities, far behind their highest priority, "work-life balance," cited as "very important" by half of all those surveyed. Meanwhile, 42% cited having "opportunities for personal development" and "length of working day/vacation" as "very important", followed by "the opportunity to work with talented people" (41%).

When asked where they would like to work, if they could work anywhere in the world, a dominating 47% of all youth surveyed cited the Gulf states. Nearly one-quarter said that working in Europe was also appealing, while 10% cited the United States. Only 5% said they would like to work in North Africa, and fractionally fewer (4%) said they were attracted to working in Canada.

Q: *How important are each of the following to you? Top 10 (% very important)*



Home ownership is increasingly important but a significant percentage of Arab youth fear they will never be able to buy their own property.

4

"Owning my own home," also for the second consecutive year, remains the second-highest priority of Arab youth, and is more important than "living in a democracy", ranked third, and "living without fear of terrorism". Sixty-six per cent of all Arab youth in the 15 countries surveyed cited home ownership as "very important", compared with 65% of Arab youth in the 12 countries studied in 2012.

Arab youth are generally putting off buying a home until their 30s and 40s, with the largest proportion, 25%, expecting to purchase a home between 31 and 40. These findings are broadly consistent with the global trend in home buying, which is seeing an increase in the average age of first-time buyers. A 2011 study by mortgage insurance provider Genworth of 9,000 home buyers in countries including the United States, UK, Italy, Ireland, Canada, India and Mexico found that the average age of first-time buyers was 31.

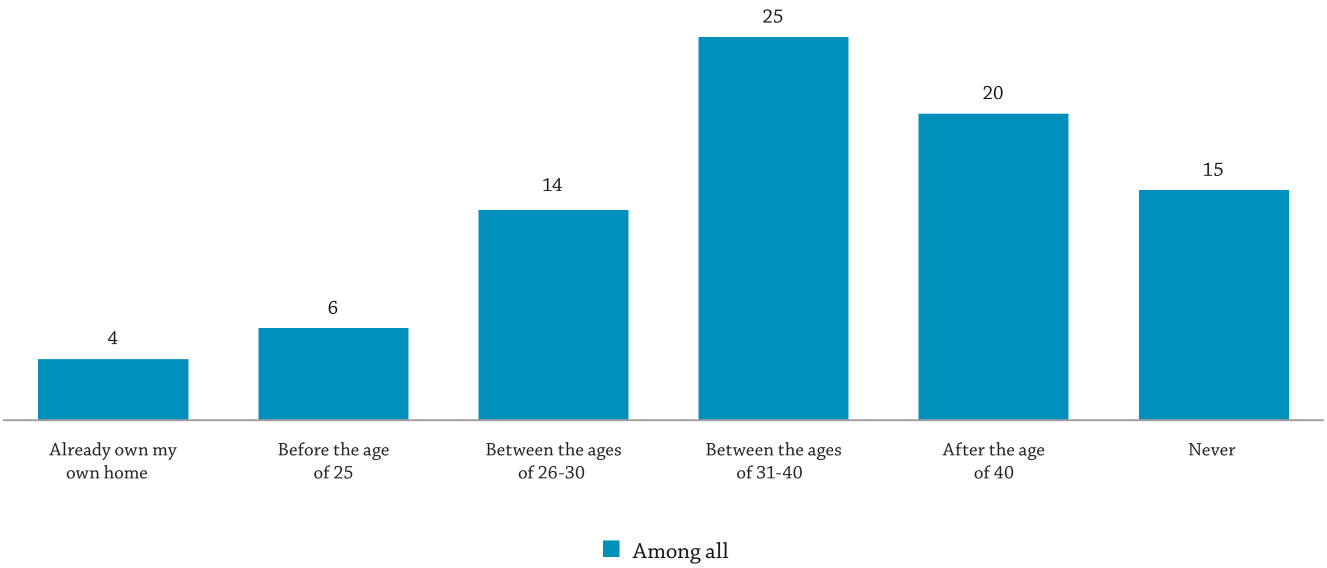
More recent research in the UK by Post Office Mortgages found that the average age of first-time buyers had risen to 35, up from just 28 a decade ago, due to rising house prices and reduced levels of savings.

Economic worries in the Middle East may cause Arab youth to fall further behind their international peers in the property-buying stakes. Twenty-one per cent of Egyptian youth and 26% of young Iraqis doubt they will be able to buy a home until after the age of 40, while 15% of Arab youth overall worry they will never be able to buy a home. Twenty per cent of Lebanese and Kuwaiti youth never expect to get on the property ladder, while 19% of youth in Egypt and 18% in Algeria also believe they won't be able to afford their own home.

Young Omanis appear the most optimistic when it comes to purchasing a home, with 17% expecting to buy a property between the ages of 26 and 31, but only 10% of Egyptian and Lebanese youth are as confident. Likewise, only 15% of Emirati and Saudi youth expect to buy a property between the ages of 26 and 31, which may reflect higher house prices in these countries.

Indeed, price is the dominant factor when considering the property market in all 15 countries. Jordanian youth are apparently the most price-conscious (40%) followed by young Qataris (38%). Access to mortgage financing is the second most important criterion when buying a home for Arab youth. Unsurprisingly, 59% of all Arab youth surveyed intend to buy a house in their home country, but Dubai in the UAE is preferred to London, New York and Paris as a foreign location for a home, the top choice of 31%.

Q: *At what age do you expect to purchase your own home? (%)*



The rising cost of living remains the greatest concern of Arab youth.

5

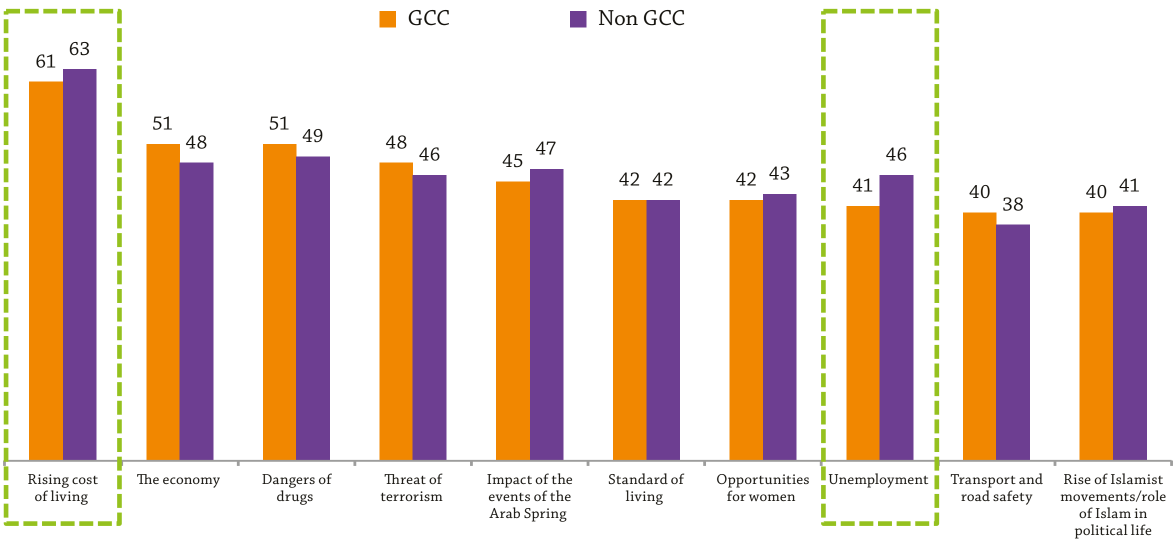
Arab youth cite the rising cost of living as their greatest concern – with 62% of all those surveyed saying they are "very concerned" about the issue, in line with last year's findings, where 63% of respondents in 12 countries said they were very concerned about living costs, up from 57% in 10 Arab nations in 2011.

Arab youth are more worried about the rising cost of living than "the economy", "the threat of terrorism", "events of the Arab Spring" and "unemployment", and concern is evenly split across Gulf countries and Arab countries outside the GCC. Sixty-one per cent of Arab youth in the GCC and 63% in the remaining countries surveyed say they are very concerned about the issue.

Concern about living costs is greatest in Lebanon (70%), followed by Iraq (68%) and surprisingly the UAE (66%). The anxiety of Emirati youth may be a response to rising property and commodity prices, though inflation in the country has levelled off considerably since the pre-downturn high of more than 12% in 2008.

Youth in Saudi Arabia and Qatar appear to be the least concerned about rising living costs, but 58% of respondents in both countries still say they are "very concerned" about the issue.

Q: *How concerned would you say you are about each of the following issues? (% very concerned)*



The rising cost of living was also cited as "the biggest challenge facing the Middle East today" by 56% of all Arab youth surveyed, up from 54% in 2012 and 46% in 2011 – a bigger challenge than "corruption in government and public life", "the economy", "unemployment" and "human rights".

Arab youth in the wealthier GCC and are even more worried about the issue than their peers in non-GCC states, with 57% describing it as the biggest regional challenge compared with 55% of youth surveyed outside the Gulf.

Again, inflation-related anxieties in the Middle East reflect concern globally about rising prices, particularly rising food prices and sustained high energy costs.

Civil unrest and lack of democracy are perceived as the region's great twin obstacles.

6

When asked what they believe to be the greatest obstacles facing the Middle East, Arab youth agree that "civil unrest" (44%) and "lack of democracy" (43%) – two closely interrelated issues – will define the region's ability to thrive in future.

While youth in all 15 countries surveyed cited both of these issues among the top two obstacles facing the region, youth in Yemen more frequently cited "civil unrest" (49%) than "lack of democracy" (39%). Meanwhile, Egyptian youth remain those most concerned about the "lack of democracy" (49%), closely followed by their peers in Bahrain (48%).

Additional obstacles identified by regional youth include "lack of Arab unity" (27%), the "Palestinian- Israeli conflict" (26%) and "lack of political direction" (25%).

The percentage of respondents citing "lack of political direction" as the biggest obstacle facing the Middle East is 2% higher than 2012, while 19% pinpoint "lack of strong leadership", also slightly up from last year's survey.

Political disillusionment appears to be greatest in Egypt, where 32% identify "lack of political direction" as the Middle East's main barrier, followed by Saudi Arabia and Bahrain (both 30%).

Unsurprisingly given the political turmoil and in-fighting the country has seen in recent years, youth in Yemen most frequently identify "lack of Arab unity" (35%) as the biggest obstacle facing the Middle East.

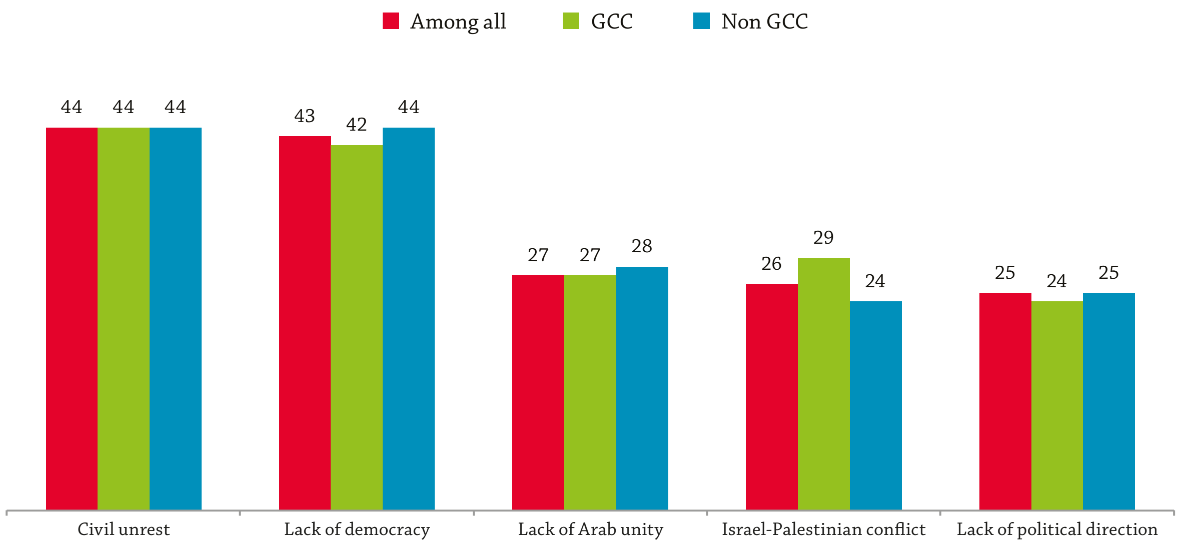
Concerns over democracy, political direction and Arab unity are marginally greater in non-GCC states than in the Gulf, while youth in the GCC are troubled to a greater degree by the ongoing standoff in the occupied Palestinian territories, with nearly a third (29%) seeing it as the region's biggest obstacle.

Gulf and non-GCC youth, however, are equally disturbed by "civil unrest"; 44% of respondents in both sets of countries highlight the issue as the Middle East's biggest obstacle.

Arab youth in the 15 countries studied in 2013 rank "the threat of terrorism" as their fourth most important concern, with a slightly larger percentage of youth in the GCC saying they are very concerned about the issue (48% compared with 46% in non-GCC countries).

Forty-one per cent continue to be "very concerned" about "Middle East conflicts", in line with the 2012 research, up from 28% in 2011. Concern about the rise of Islamist movements is unchanged since 2011, with 40% saying they are "very concerned". Twenty-one percent of those interviewed believe "domestic political instability" is the region's biggest present-day challenge.

Q: *What do you believe is the biggest obstacle facing the Middle East? (%) Top 5*



The UAE remains perceived as a model nation by youth across the region.

7

Asked to name the country, anywhere in the world, where they would most like to live, Arab youth continue, as in 2012, to cite the UAE as their preference, identified as the top choice among 31% of all those surveyed, followed by France (18%), the United States and Turkey (16%) and Saudi Arabia (14%).

Among those who would prefer to live in the UAE, that desire is most pronounced among young Saudis (36%) and Egyptians (35%). Likewise, when asked which country in the world they would most like their country to be like, the UAE again retains its top ranking, with 30% of all youth surveyed citing this Gulf state – again followed by France (17%) and the United States and Turkey (16%), with China (13%) this time taking the fifth position.

When asked which country's model of growth and development would you most like your country to follow, the UAE has again retained its first-choice ranking, with 20% citing that country.

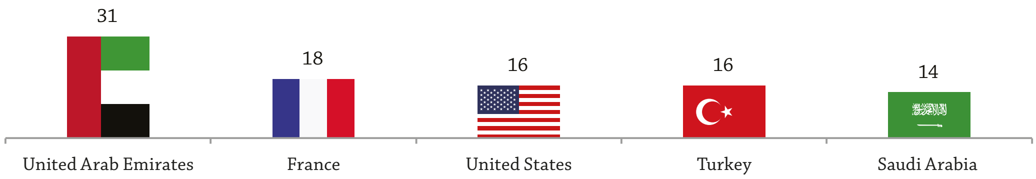
Demonstrating a very varied range of perspectives on the best development models, the Chinese, French and American models are each highly admired by 11% of those surveyed.

In the main, Arab youth consider the Gulf as the best place to work. Forty-seven per cent would rather work in the GCC than in any other part of the world. Europe is rated second choice (24%) and the United States a rather distant third (10%).

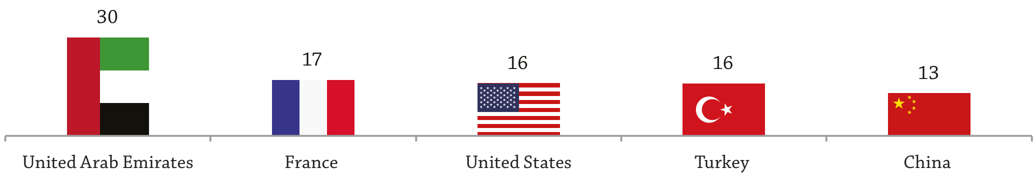
While an endorsement of its liberal and cosmopolitan outlook, the popularity of the UAE is doubtless also a reflection of the country's continued economic resilience. Considering the last 12 months, a record 88% of Emirati youth believe their country is heading in the right direction.

The perceived market competitiveness of the wider region, however, appears to have reduced since last year's study. The percentage of those who agree that their country can compete on the world stage has fallen from 62% in 2012 to 54%, with 35% of respondents – 4% more than last year – saying their country is "lagging behind" the rest of the world.

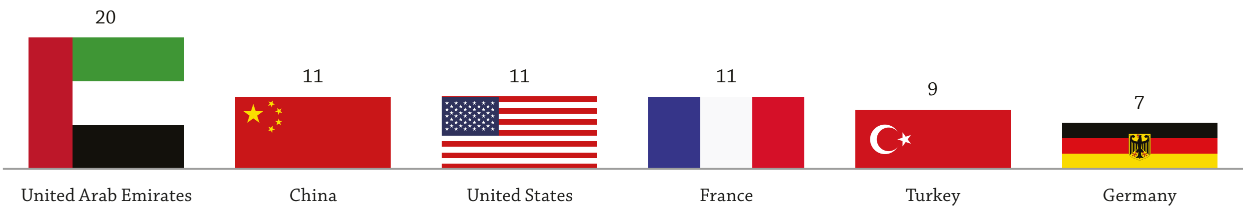
Q: *Which country in the world would you like to live in? (%)*



Q: *Which country in the world would you most like your country to be like? (%)*



Q: *As your country develops, which country's model of growth and development would you like your country to follow? (%)*



Among nations outside MENA, France viewed most favourably by Arab youth.

8

The favourability of Arab youth towards France is the highest among countries outside the region for the second straight year, followed by Germany and China. Among those surveyed in the 15 countries, 44% describe themselves as "very favourable" towards France, a drop of 2% since 2012.

The positive perception of France has jumped markedly in Saudi Arabia, from 37% last year to 49%, and in the UAE, with 38% of Emirati youth saying they are "very favourable" towards the country, compared with 28% who felt the same in 2012. Enthusiasm for France, however, sees a noticeable drop in Libya (from 63% to 40%), Egypt (55% down from 61%) and also Qatar (49% down from 61%).

More than a third of respondents (39%) regard Germany and China very favourably, though both countries also experienced a decline in the latest Arab Youth Survey. In 2012, China and Germany were regarded very favourably by 44% and 41% of youth, respectively.

In fact, out of France, Germany, China, the UK, United States and India, only India has experienced an increase in favourability over the last 12 months, from 28% to 29% of youth describing their perception of the country as "very favourable".

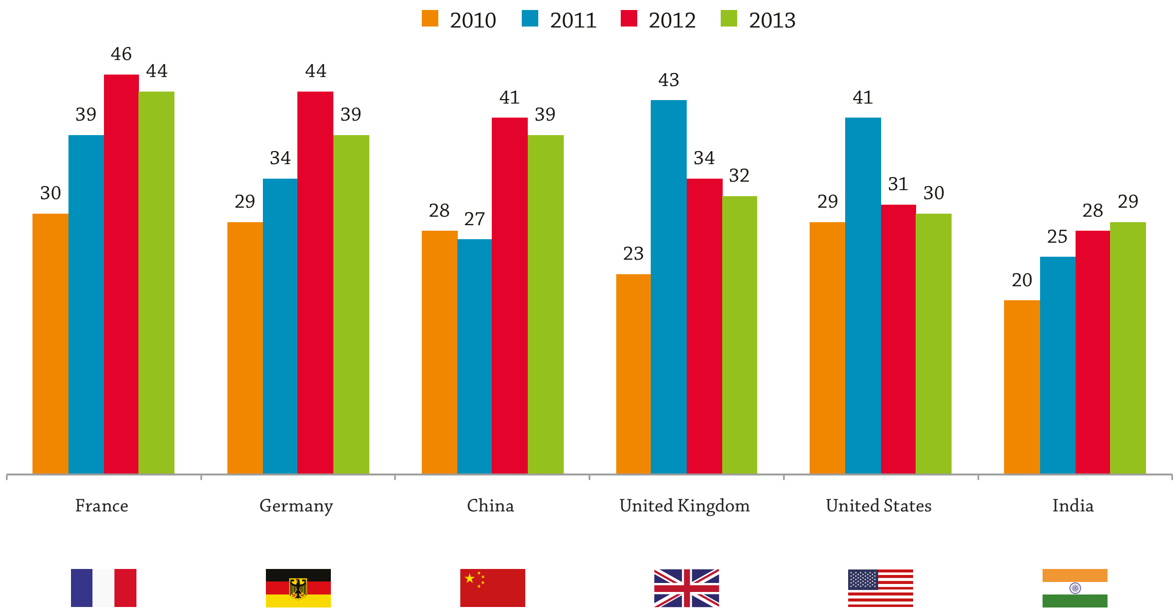
Under a third of respondents (32%) regard the UK very favourably, down from 34% last year and 43% in 2011. The United States has also fallen 11% from 2011 to 30% and is down one percentage point compared with last year.

The UK appears to be regarded most favourably among Egyptian youth (44%) and by young Arabs in Oman (40%), Yemen (38%) and Bahrain (37%), while favourability towards the US is highest in Oman (42% "very favourable) and Tunisia (41%) and lowest in Egypt (27% "very favourable"), Saudi Arabia (24%), Libya (23%) and Lebanon (20%).

Among all countries surveyed, two-thirds of Egyptian youth (66%) describe their view of Germany as "very favourable" – a growth of 10% from 2012. The positive perception of the country has also made gains in the UAE (37% "very favourable" compared to 29% in 2012), while it declined significantly in Libya (from 68% "very favourable" to 59%) and Bahrain (39% to 29%).

More than half (58%) of youth in Libya have a "very favourable" impression of China, up 6% from last year. But positive perceptions of the People's Republic slipped in Iraq (33% down from 58% in 2012) and Egypt (54% compared with 61% a year ago).

Q: *How favourable are you to the following countries? (Very favourable %)*



As the Arab Spring fades from memory, news consumption has declined; newspaper and magazine readership, in particular is plummeting.

9

While still high by global standards, the percentage of Arab youth who say they update themselves on news and current affairs on a daily basis – which spiked from just 18% in 2011 to 52% in 2012 – declined to 46% in 2013.

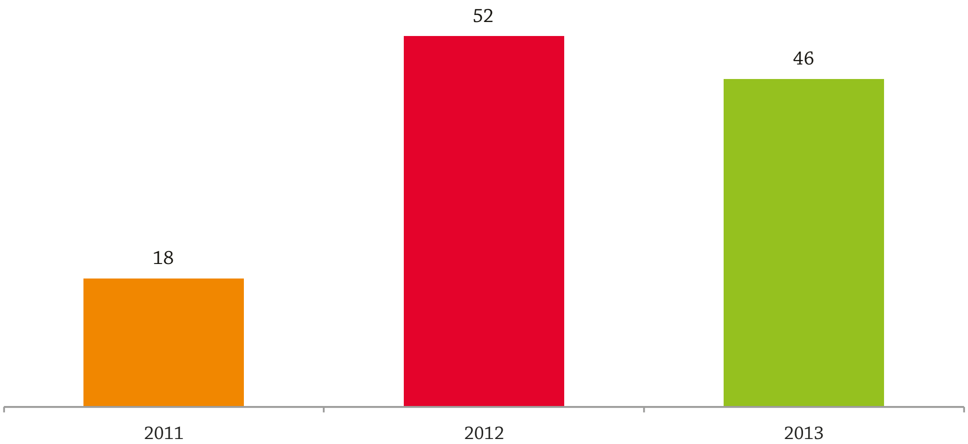
Television remains the primary source of news for 72% of regional youth (up from 62% in 2012), followed by online news sources (59% compared to 51% in 2012) and newspapers (24% down from 32% in 2012).

For newspaper publishers, the fact that a quarter (24%) of all Arab youth say they turn to print dailies for their daily news will come as cold comfort, since this represents a steady decline from a high of 65% in 2010, then 62% in 2011 and 32% in 2012.

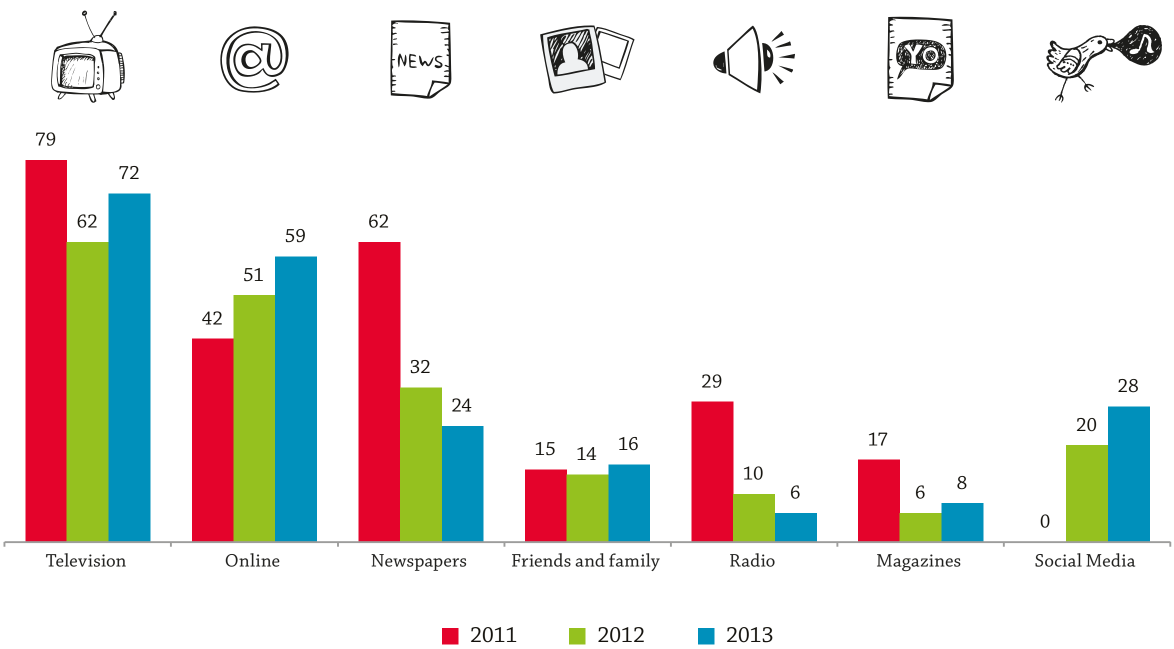
Magazines also continue to face challenges: the percentage of young Arabs who say they get their news from magazines stood at 8% this year, up marginally from 6% in 2012 but down significantly from 25% in 2010 and 17% in 2011.

Radio, too, continues to decline in popularity among Arab youth – cited by just 6% of regional youth as a source of news in 2013 – representing a steady decline from a high of 41% in 2010, then 29% in 2011 and 10% in 2012.

Q: *How often do you update yourself on news and current affairs? Daily (%)*



Q: *Where do you get your news? (%)*



The impact of social media continues to increase rapidly.

10

Twenty-eight per cent of all Arab youth say that they turn to social media as a source of news, up from 20% in 2012 – and three percentage points higher than the percentage (24%) of those who say they get their news from daily newspapers.

Meanwhile, when asked what they consider to be "the most trusted source of news", television continues to the most-trusted media, cited by 40% of respondents, down from 49% in 2012 and 60% in 2011.

At the same time, the perceived trustworthiness of websites has reached a new peak of 26%, up from 18% last year. Over the same period, the percentage of youth who say they consider social media to be "the most trusted source of news" reached 22%, a massive 144% increase from 2012.

Overall, Internet usage rates continue to hold steady, with 81% of Arab youth saying they generally use the Internet every day, in line with the findings from the previous two years. An equal percentage of youth in the Gulf and non-Gulf states now say they use the Internet on a daily basis.

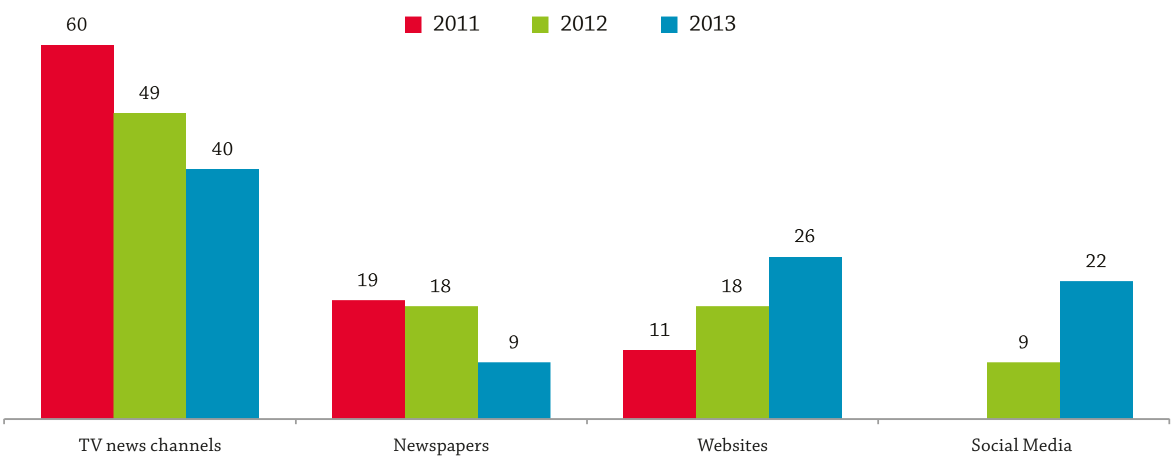
While listening to music remains the most popular online activity – cited by 57% of Gulf youth and 60% of their non-Gulf peers – blogging and reading blogs also continue to be very popular, especially among youth in Algeria, 92% of whom say they regularly read blogs.

Among all Arab youth surveyed, 46% claim to read blogs, more than one-third (38%) say they contribute to them, and nearly a fifth (18%) of young Arabs in the region publish their own blog. Just 24% of Bahraini youth say they regularly read blogs but they are the most likely, according to the research, to publish their own, with 35% saying they write their own blog.

Sixty-four per cent of all Arab youth say they have a Facebook account, up marginally from 62% in 2012. Young people in the region are primarily Facebook friends with others from their own country, the source of 94% of their friends, while 18% of their friends come from the West.

Twitter usage is also holding steady in the region, with four out of 10 young people saying they actively post tweets, and nearly half of all Arab youth saying that they respond to tweets from others.

Q: *In your opinion what is the most trusted source of news? (%)*



GCC, LEVANT AND NORTH AFRICA: ECONOMIC, DEMOGRAPHIC AND IT INDICATORS

GCC

Country	Population *(million)*	GDP-PPP *(USD billion)*	Contribution of Oil to GDP *(%)*	Youth *(15 to 24 yrs) unemployment (%)*	Internet Users *(million)*	Internet Penetration Rate *(%)*	Facebook Users *(million)*	Facebook Penetration of population *(%)*
Saudi Arabia	26.9	740.5	45	28.2	13	48	5.5	20
UAE	8.26	378	25	12.1	5.85	70	3.37	40
Qatar	2.04	189	50	1.6	1.68	70	0.67	33
Kuwait	2.7	165.9	50	11.3	1.97	73	0.82	30
Oman	3.15	90	45	15	2.1	67	0.53	17
Bahrain	1.28	32.4	11	28	0.96	75	0.38	30

Yemen

Yemen	25.4	57.8	25	NA	3.7	14.5	0.53	2

Levant

Iraq	31.8	155.4	90	20	7.9	25	2.8	8
Lebanon	4.13	63.6	NA	22	2.15	52	1.55	37.5
Jordan	6.5	38.7	NA	27	3.5	54	2.65	40

North Africa

Egypt	85.3	537.8	NA	24.8	29.8	35	13	15
Algeria	38	274	30	24	5.23	14.5	4.32	11
Morocco	32.6	171	NA	21.9	16.4	50	5.25	16
Tunisa	10.8	104.4	NA	30.7	4.2	38	3.4	31
Libya	6	87.9	80	30	0.95	16	0.8	13

NOTE:

Source for GDP and other figures: *World Bank, CIA-The World Factbook, Global Finance Country Economic Reports, UAEinteract.com, UN Office for the Coordination of Humanitarian Affairs and Trading Economics*
Source for Internet: *Internet World Stats, Jordan Telecommunications Regulatory Commission*
Source for Facebook: *Social Baker & Internet World Stats*
Population figures are largely fair estimates given the lack of scientific and timely census in most countries, and are estimates for 2013; GDP figures are 2012 estimates; The Internet penetration and Facebook penetration rates in the region have been revised based on the new population figures available

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