



# THE VOICE OF THE CONSTRUCTION INDUSTRY MARKET OUTLOOK November 2020





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#### Introduction



The Voice of the Construction Industry Outlook is an ongoing research project launched by The Big 5 in partnership with GRS Research & Strategy.

First conducted in 2019, this latest data collection was conducted during the period 4 - 14 November 2020 to capture valuable information and insights from industry stakeholders on the current situation, expectations for the future, key trends, challenges and opportunities for 2021 and beyond.

3,000+ construction professionals from all over the world, and from every aspect of the industry, took part with 50% of respondents being business owners or C-suite executives.

The research offers a comprehensive view about how Covid-19 has affected different markets and business sectors, as well as trends against the prepandemic situation.

#### Key survey takeaways include:

- There has been a dramatic change in market performance as a result of Covid-19; it has had a global impact across all industries with no difference between regions.
- The No.1 critical challenge across all categories was unstable markets followed by budget and increased competition.
- The top two key industry trends were prefabrication and modular construction, and a focus on sustainability. Whilst Sustainability was a key focus for governments, interestingly it did not hold the same priority for private organisations.
- The No.1 technology that was expected to impact business over the next two years was Advanced Software, with Artificial Intelligence increasing from 2019 as a relevant technology that everyone is exploring. However, companies don't seem ready to implement this technology yet.
- 24% of respondents expect the market to be more sustainable for their business in six months, with the vast majority between 12 months or more.
- 45% of companies expect growth in key markets like the UAE, KSA and Egypt in 2021.



# **RESPONDENTS' PROFILE**

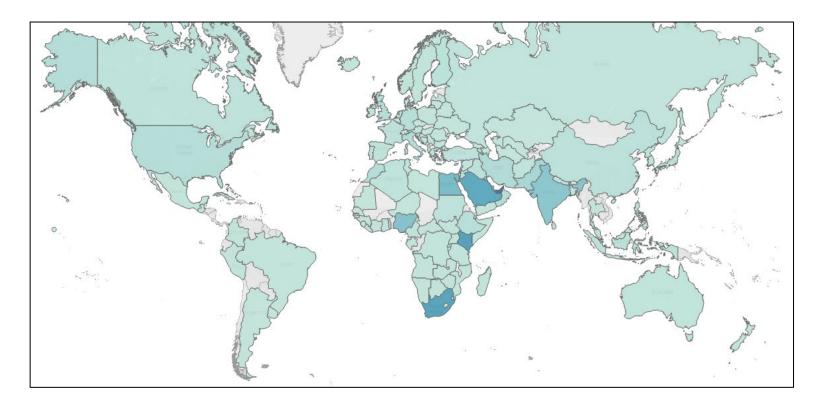






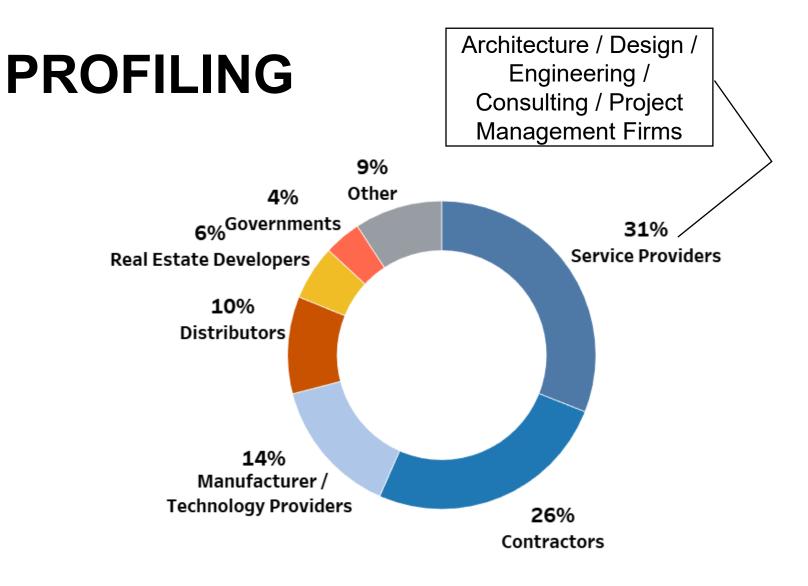
# PROFILING

# **Respondents from 100+ countries**





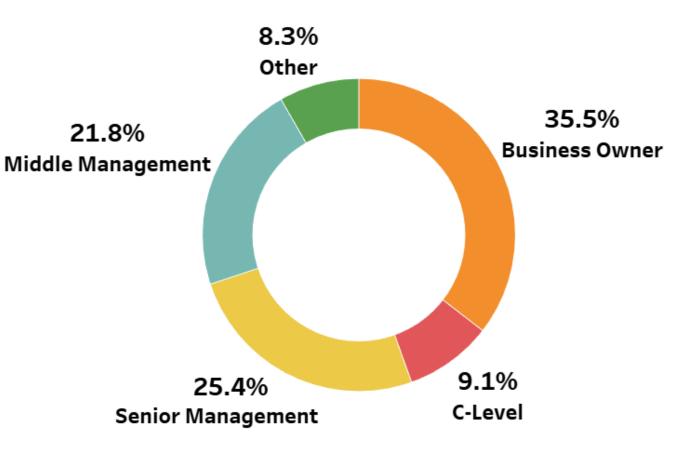








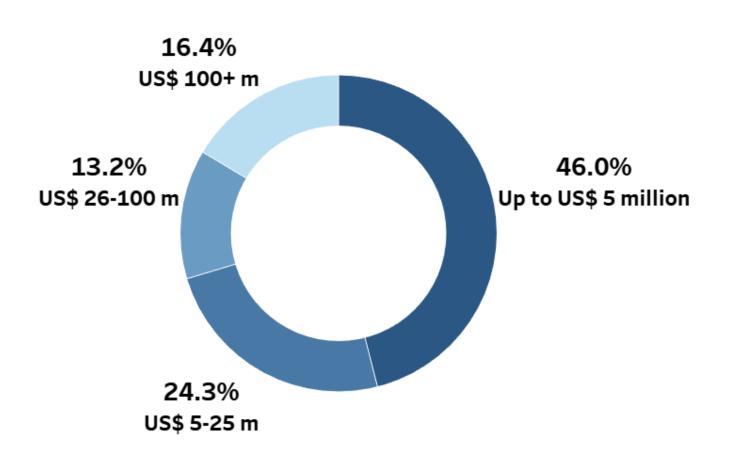
# PROFILING







# PROFILING



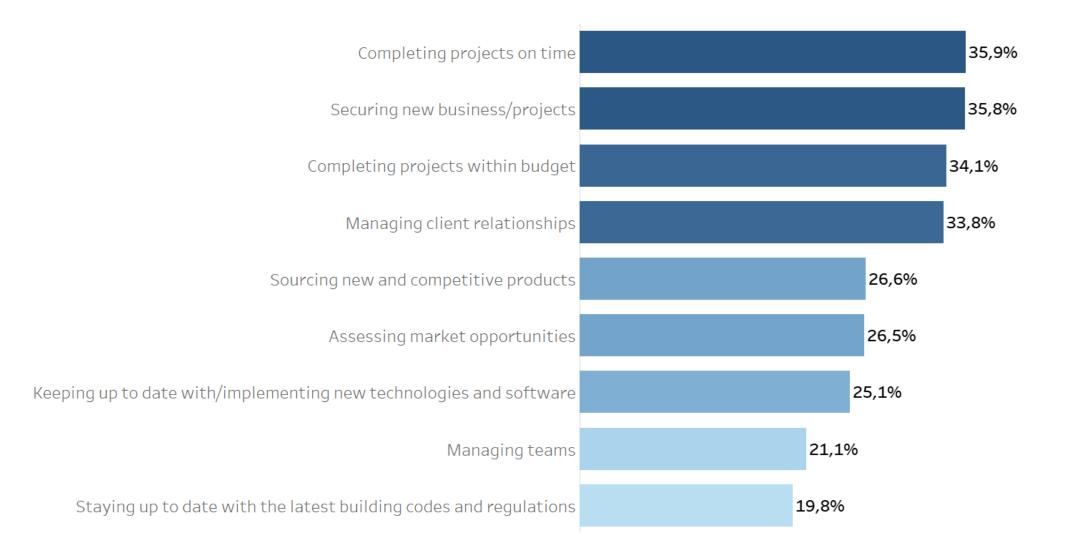


# **CURRENT SITUATION AND TRENDS FOR THE FUTURE**



# **Current goals**





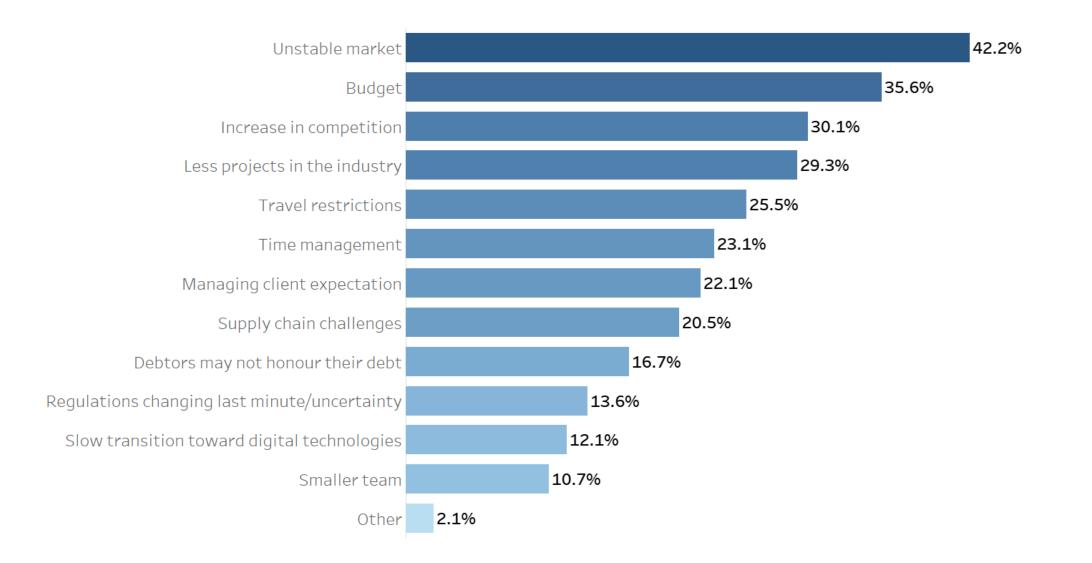
# **Current goals**



	Service Providers	Contractors	Manufacturer/ Technology Providers	Distributors	Real Estate Developers	Governments
Completing projects on time	39%	51%	19%	14%	38%	45%
Securing new business/projects	37%	34%	51%	38%	28%	15%
Completing projects within budget	38%	49%	17%	14%	41%	44%
Managing client relationships	32%	30%	44%	39%	28%	29%
Sourcing new and competitive products	22%	24%	28%	51%	24%	16%
Assessing market opportunities	23%	18%	41%	39%	25%	17%
Keeping up to date with/implementing new technologies and software	31%	23%	22%	14%	25%	29%
Managing teams	24%	20%	17%	16%	20%	35%
Staying up to date with the latest building codes and regulations	25%	20%	13%	12%	25%	31%

## Main challenges





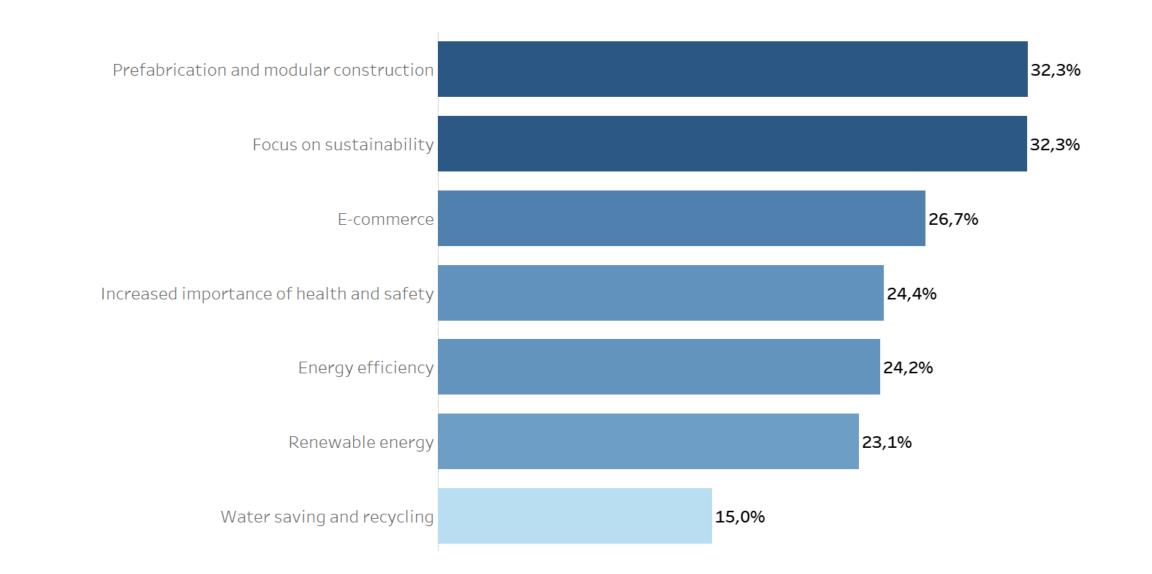
# Main challenges



	Service Providers	Contractors	Manufacturer/ Technology Providers	Distributors	Real Estate Developers	Governments
Unstable market	44%	43%	48%	42%	43%	25%
Budget	38%	41%	24%	26%	37%	47%
Increase in competition	27%	33%	33%	39%	24%	18%
Less projects in the industry	32%	36%	27%	25%	18%	16%
Travel restrictions	23%	20%	43%	33%	21%	28%
Time management	28%	24%	14%	14%	26%	38%
Managing client expectation	26%	23%	20%	14%	25%	23%
Supply chain challenges	17%	21%	24%	23%	28%	21%
Debtors may not honour their debt	17%	18%	18%	24%	11%	4%
Regulations changing last minute/uncertainty	15%	13%	13%	10%	15%	22%
Slow transition toward digital technologies	14%	11%	10%	8%	10%	20%
Smaller team	12%	10%	7%	8%	10%	19%

#### **Industry trends**



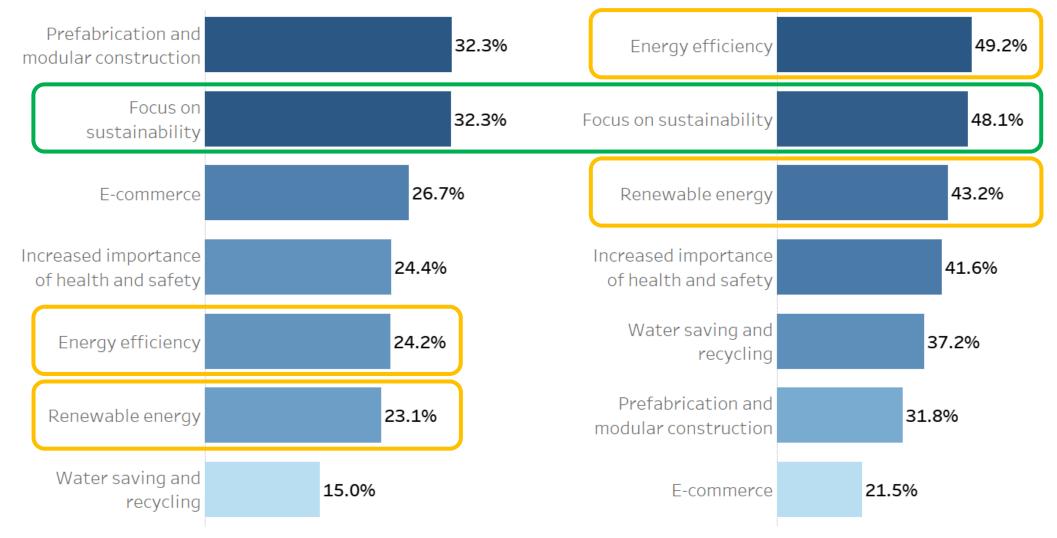


#### **Industry trends**



#### **PRIVATE ORGANISATIONS**

GOVERNMENT

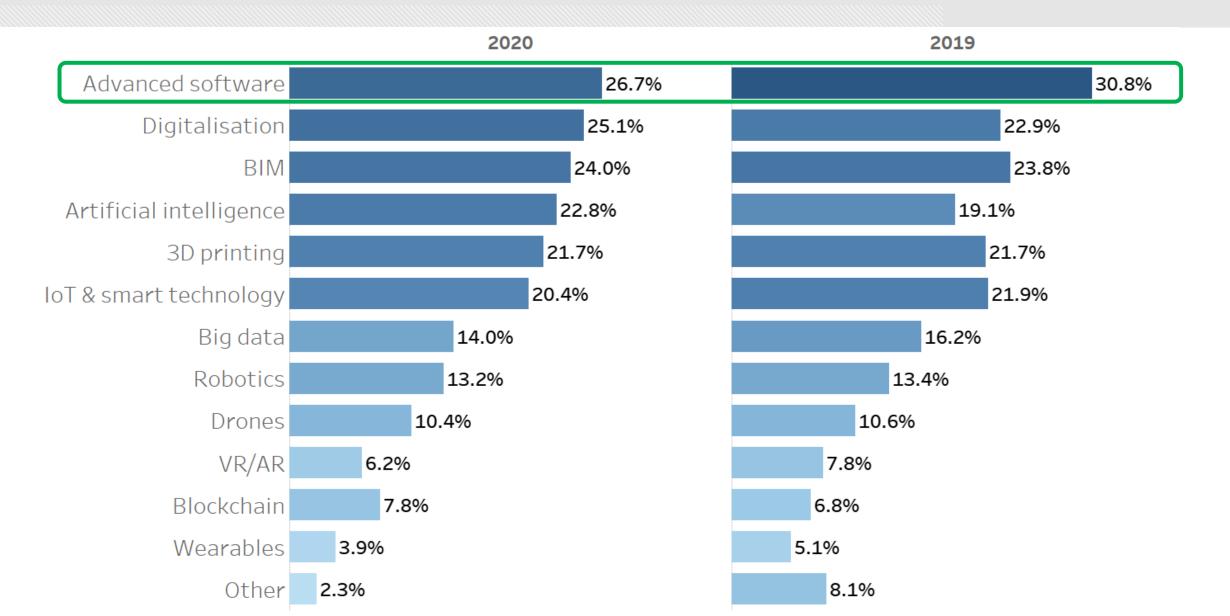


# **Industry trends**

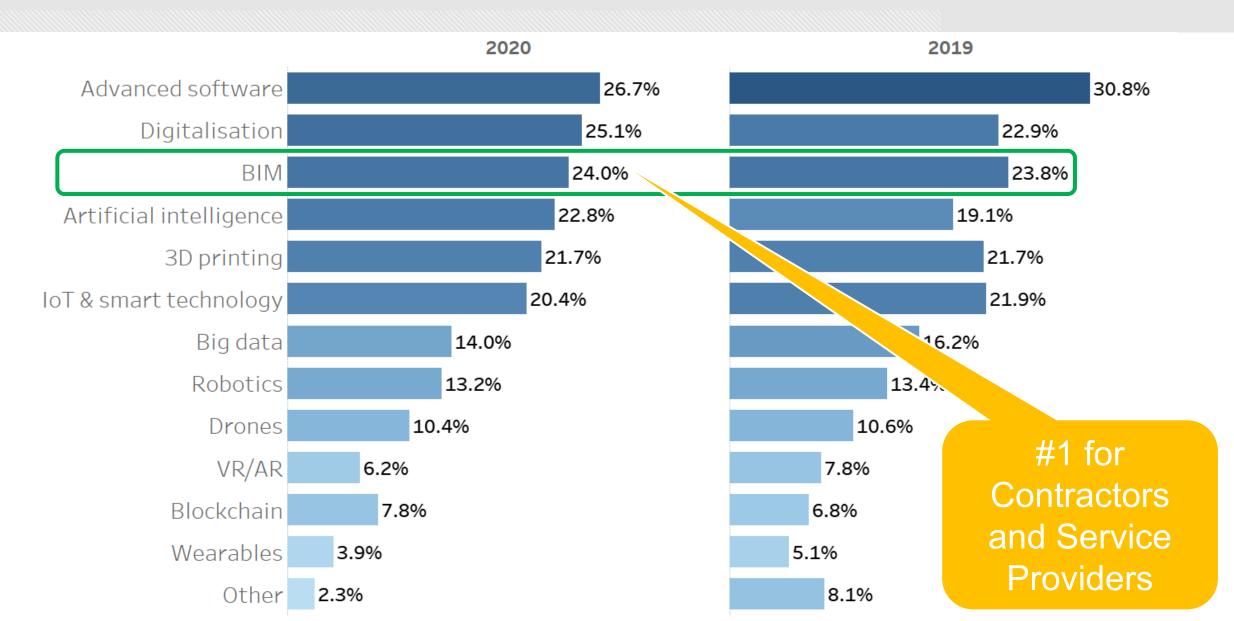


	Contractors	Distributors	Manufacturer / Technology Providers	Real Estate Developers	Service Providers
Prefabrication and modular construction	39%	24%	29%	27%	35%
Focus on sustainability	28%	26%	31%	43%	38%
E-commerce	23%	35%	30%	33%	24%
Increased importance of health and safety	24%	21%	23%	23%	27%
Energy efficiency	18%	19%	23%	26%	31%
Renewable energy	21%	19%	18%	27%	30%
Water saving and recycling	12%	13%	15%	15%	19%

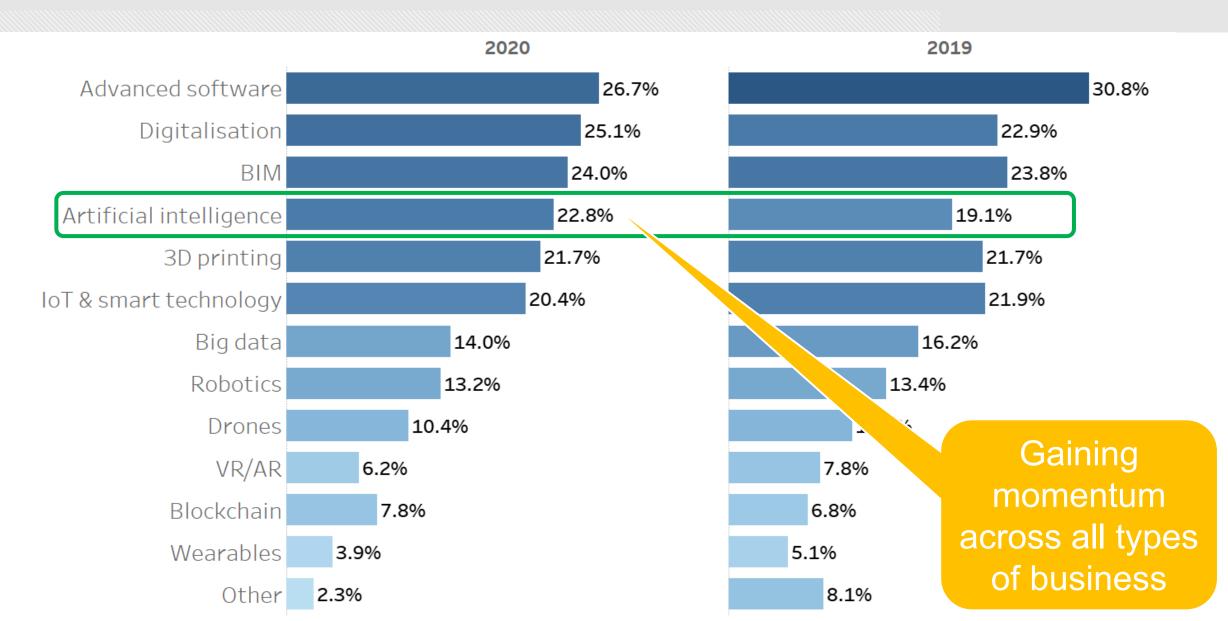




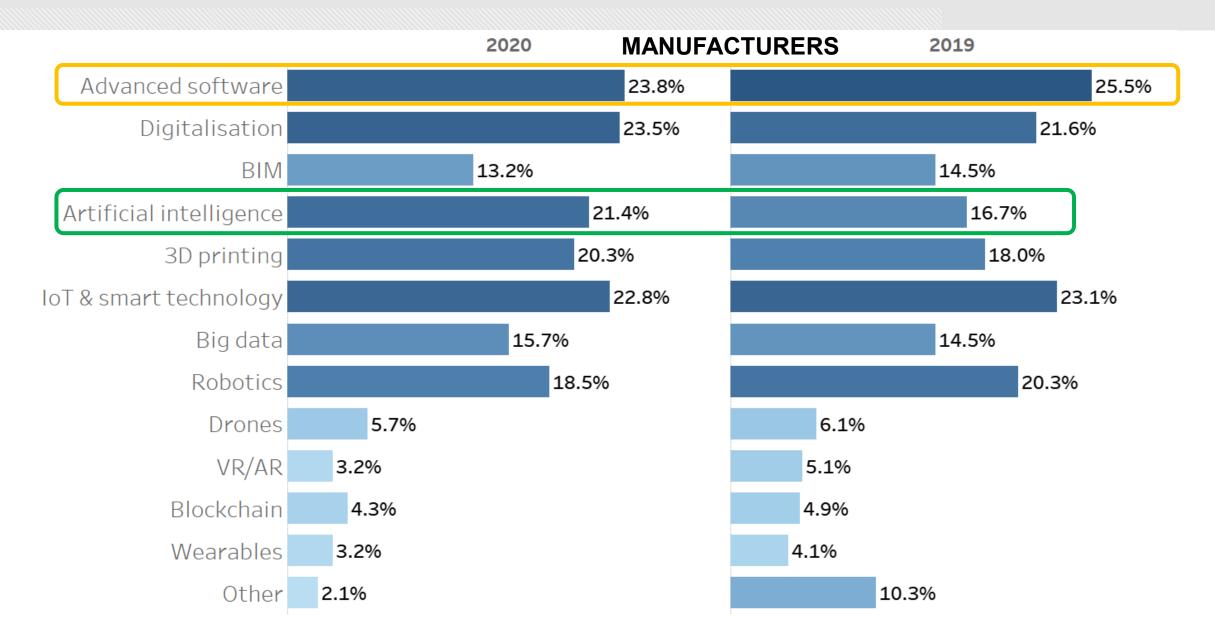




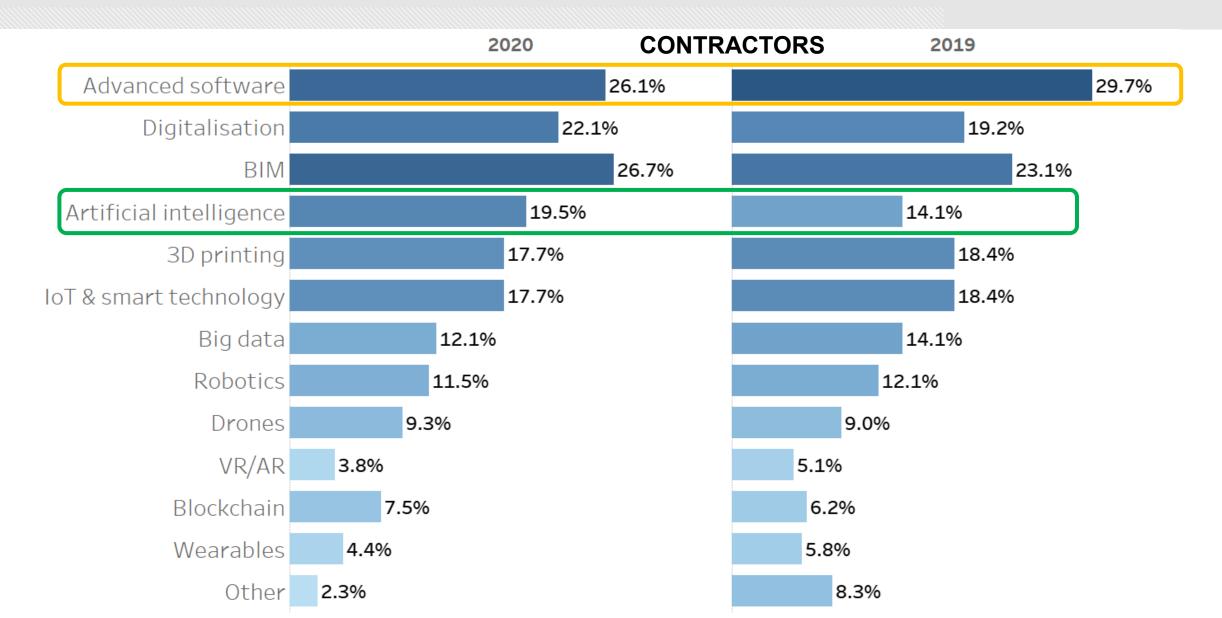




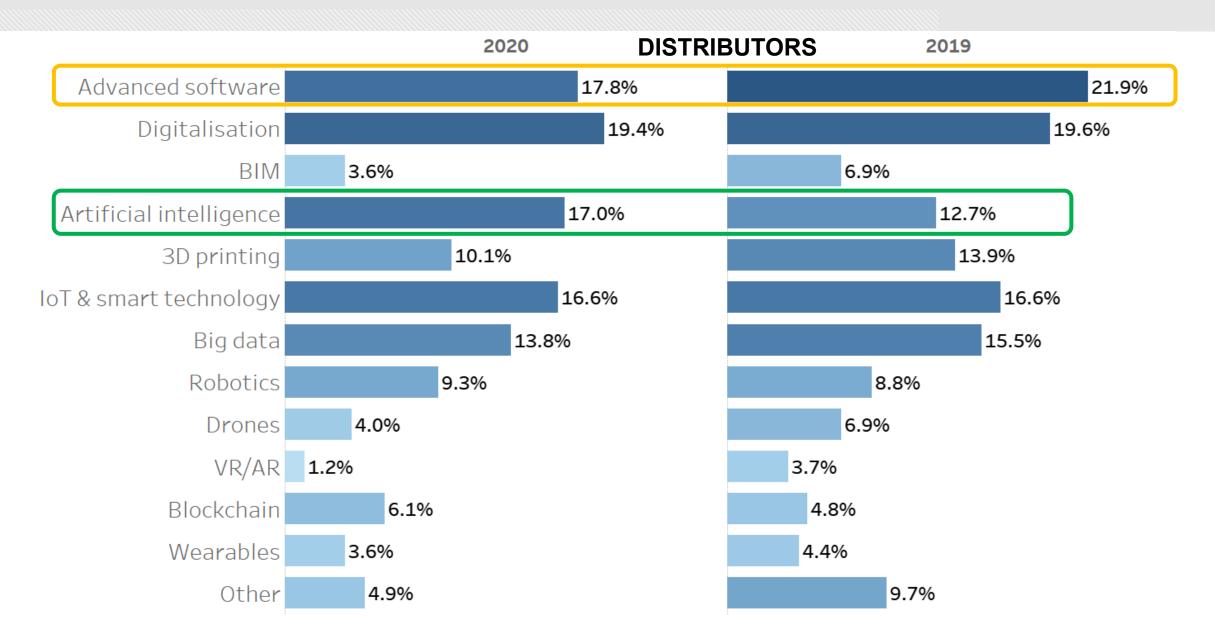




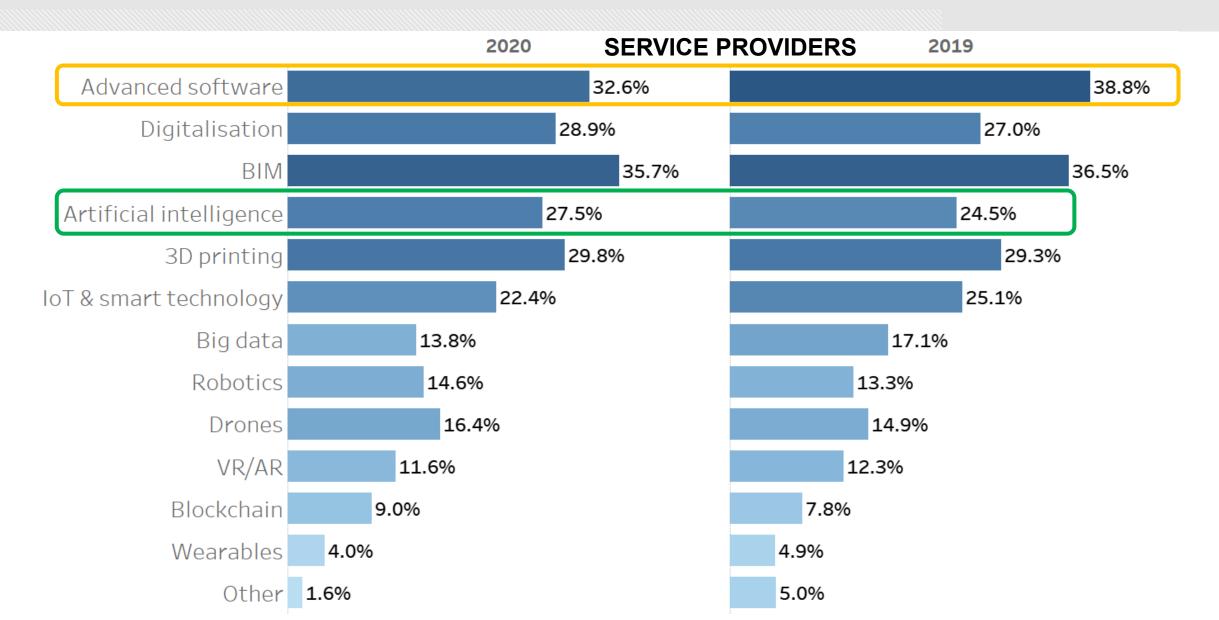












## **Readiness to adopt new technologies**

Technologies impacting the business in the next 2 years



29.4% Advanced software 14% 43% 23.9% BIM 16% 23.7% Digitalisation 13% 10% 21.7% 21% 3D printing 12% 6% 21.4% IoT & smart technology 11% 34% 20.3% Artificial intelligence 8% 15.5% Big data 14% 36% 10% 13.4% Robotics 10% 17% 10.5% 22% Drones 10% 7.3% 11% 27% VR/AR 6% 7.1% Blockchain 28% 7% 10% 6.3% 25% 37% Other 4.7% Wearables 13% 35%

Preparation of employees on new technologies

Fully trained

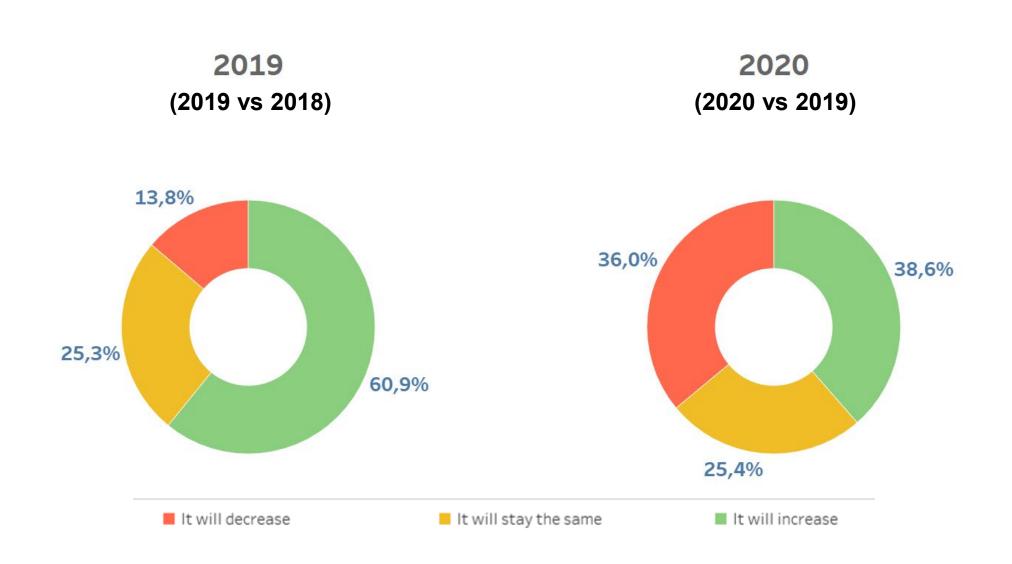
Sufficiently trained



# **MARKET PERFORMANCE**

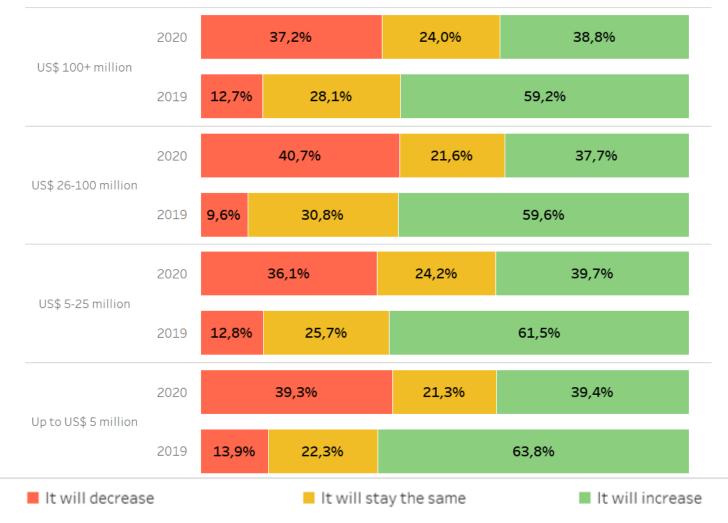






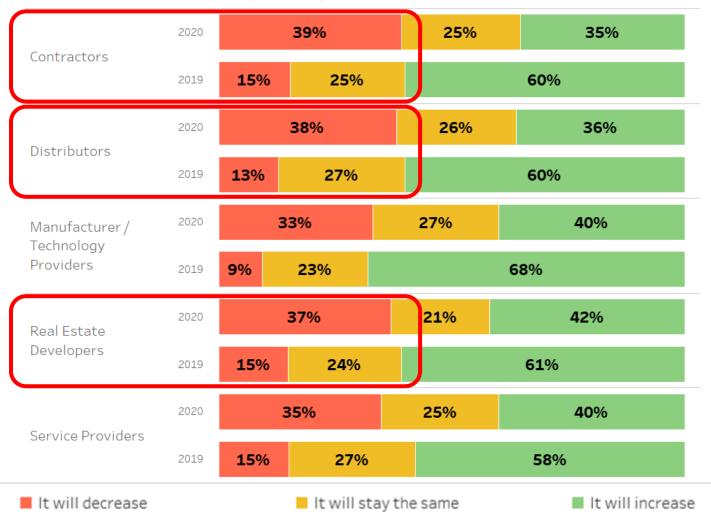


#### Turnover vs previous year (forecast)



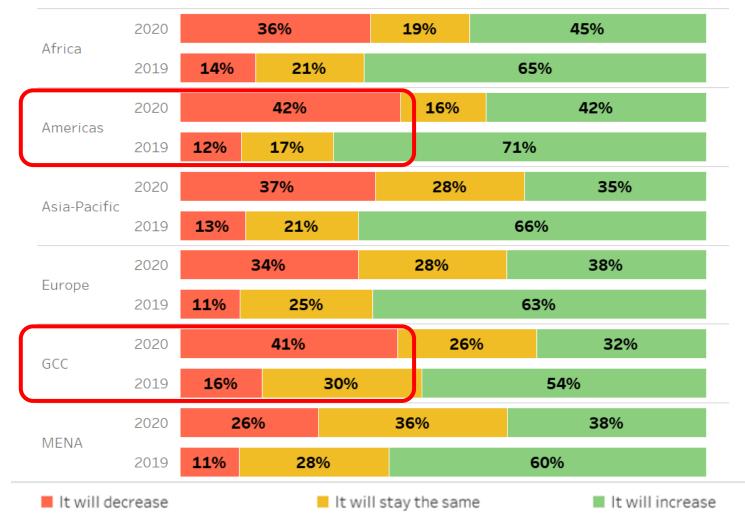


#### Turnover vs previous year (forecast)





#### Turnover vs previous year (forecast)



## When will the market be sustainable







# Main challenges per market



#### **Top 3 challenges**

Country	# 1	# 2	# 3		
Bahrain	Travel restrictions	Finding new projects	Cost-driven decision making		
Kuwait	Travel restrictions	Finding new projects	Strong competition		
Oman	Travel restrictions	Strong competition	Lack of financial funding		
Saudi Arabia	Strong competition	Travel restrictions	Cost-driven decision making		
UAE	Strong competition	Collecting payments	Finding new projects		
Egypt	Strong competition	Cost-driven decision making	Lack of financial funding		
Ethiopia	Lack of financial funding	Collecting payments	Cost-driven decision making		
Кепуа	Lack of financial funding	Strong competition	Finding new projects		
Nigeria	Lack of financial funding	Finding new projects	Strong competition		
South Africa	Lack of financial funding	Finding new projects	Travel restrictions		



# MARKET PERFORMANCE IN-DEPTH ANALYSIS

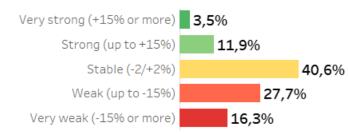


# Focus per market: **BAHRAIN**

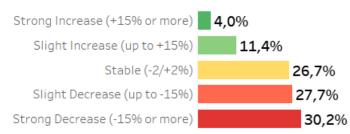




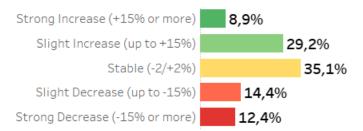
#### Current market outlook



#### Performance 2020 vs 2019



#### Expectations for 2021 vs 2020



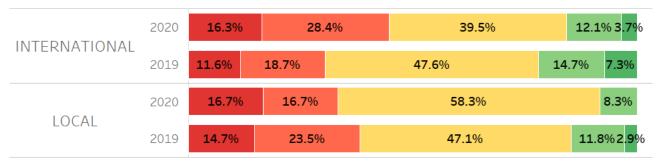
#### Challenges

Collecting payments	10%	14%	42%	b	18%	15%	Not chal
Cost-driven decision making	14%	26%		37%	1	5% 8%	Slightly c Average
Finding new projects	12%	29%		29%	22%	8%	Very chall
Health & Safety concerns	9%	19%	4	3%	15%	15%	Extremely
Lack of financial funding	8%	25%		39%	18%	10%	
Lack of regulation	4% 9%		53%		17%	17%	
Low-quality of products / services acceptable	9%	24%		39%	19%	9%	
Skilled labour shortage	<b>5%</b> 13	8%	49%		18%	16%	
Strict certification requirements	7%	16%	47	%	15%	14%	
Strong competition	12%	26%		42%		14% 6%	
Supply chain challenges	6%	26%		45%	13	<b>3% 9%</b>	
Travel restrictions	17%		31%	31%	1	8%	

# Focus per market: **BAHRAIN**



#### Current market outlook



#### Performance 2020 vs 2019



# Strong Increase (+15% or more) Slight Increase (up to +15%) Stable (-2/+2%) Slight Decrease (up to -15%) Strong Decrease (-15% or more)

#### Expectations for 2021 vs 2020

	2020	13.2%	13.7%	35.3%		8.9%	
INTERNATIONAL	2019	13.0% 15.5%		35.1%	25.6%		10.8%
	2020	25.0	0%	33.3%		33.3%	8.3%
LOCAL	2019	8.8%	17.6%	44.1%	23.5%		5.9%

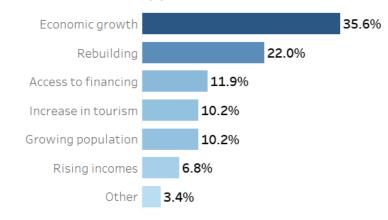
# Focus per market: **BAHRAIN**



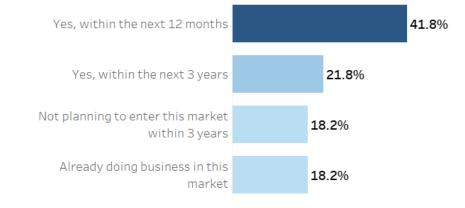
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# Markets with more opportunities

#### Key factors for business opportunities



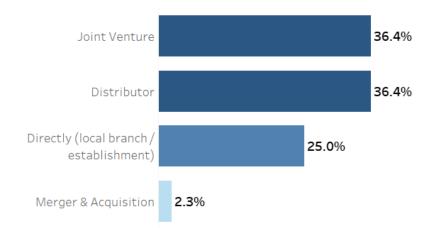
#### Planning to enter market



#### **Biggest obstacle**



#### How to enter market

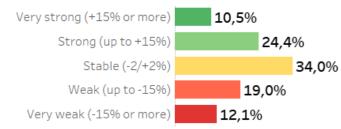


# Focus per market: **EGYPT**

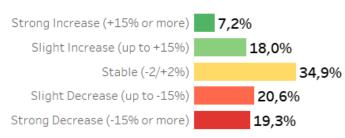




#### Current market outlook



#### Performance 2020 vs 2019



#### Expectations for 2021 vs 2020



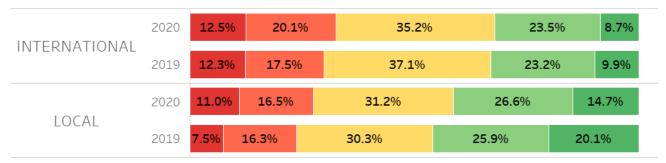
#### Challenges

Collecting payments	13%	24%			37%		1	.7%	10%	Not challenging
Cost-driven decision making	18%	6	29%			34%		13%	6%	Slightly challengir Average
Finding new projects	10%	26%		3	34%		20	%	11%	Very challenging
Health & Safety concerns	9%	21%		38%	b		22%	ó	11%	Extremely challen
Lack of financial funding	13%	27%	ò		35%			18%	6%	
Lack of regulation	9%	16%		45%			21	.%	10%	
ow-quality of products / services acceptable	11%	25%			37%		15	5%	12%	
Skilled labour shortage	6%	17%		41%			22%		13%	
Strict certification requirements	7%	16%		44%			19%		13%	
Strong competition	13%		37%			29%		13%	7%	
Supply chain challenges	6%	23%		4	6%			17%	7%	
Travel restrictions	13%	22%			38%		14	1%	13%	

# Focus per market: **EGYPT**

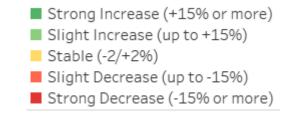


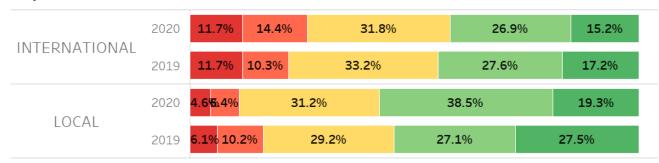
### Current market outlook



### Performance 2020 vs 2019







# Focus per market: **EGYPT**

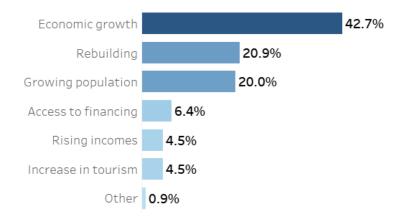


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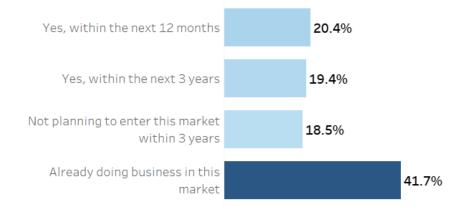
### Markets with more opportunities

Egypt

### Key factors for business opportunities

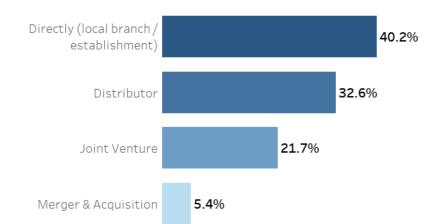


### Planning to enter market

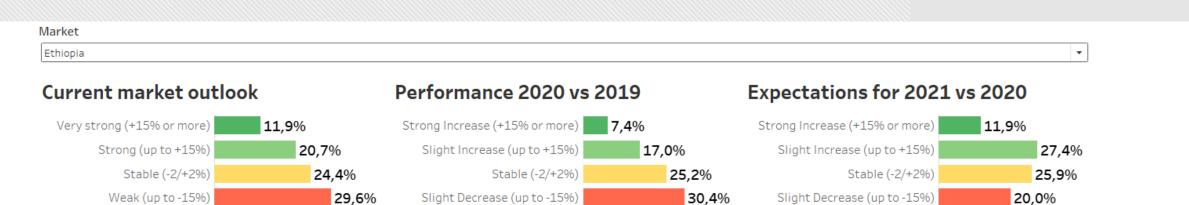


### Biggest obstacle





# Focus per market: ETHIOPIA



20,0%

### Challenges

Very weak (-15% or more)

13,3%

		1						
Collecting payments	7%		43%		32%		14%	4%
Cost-driven decision making	14%	<b>)</b>	35%		28%		17%	6%
Finding new projects	4%	3	6%		32%	1	9%	9%
Health & Safety concerns	11%		28%		31%	18	%	11%
Lack of financial funding	2	1%		42%		25%	6	% 5%
Lack of regulation	<mark>4%</mark>	24%		38%		25%	ò	9%
Low-quality of products / services acceptable	11%		34%		31%		16%	8%
Skilled labour shortage	<mark>4%</mark>	25%		4	2%	14%	16	5%
Strict certification requirements	5%	18%		46%		219	%	10%
Strong competition	4%	24%		399	%	18%	1	4%
Supply chain challenges	12%		36%		32%		17%	4%
Travel restrictions	11%		31%		28%	13%	18	%

Strong Decrease (-15% or more)

ging llenging

14,8%

International Building & Construction Show

research and strategy

THE BIG

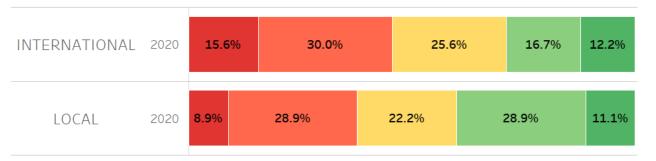
Strong Decrease (-15% or more)

- nging
- challenging

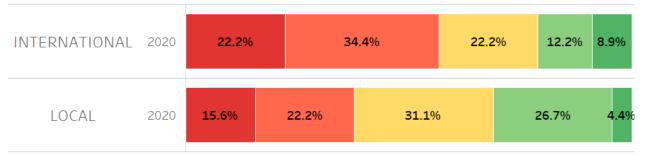
# Focus per market: ETHIOPIA



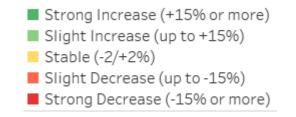
### Current market outlook



### Performance 2020 vs 2019



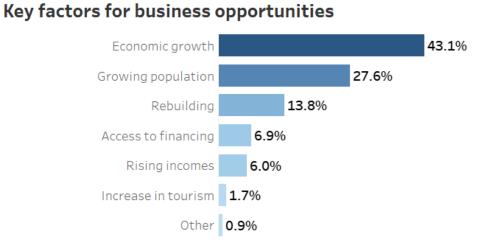
INTERNATIONAL	2020	17.8	3%	20.0	)%	25.6%	23.3%	13.3%
LOCAL	2020	8.9%	20	.0%		26.7%	35.6%	8.9%



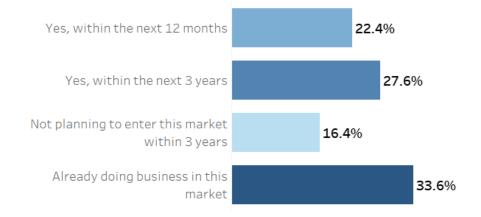
# Focus per market: ETHIOPIA



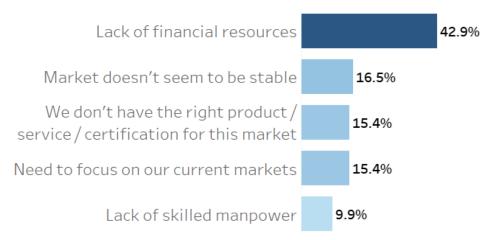
# Markets with more opportunities Ethiopia

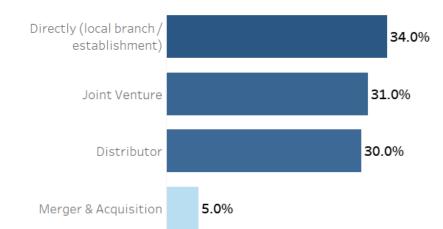


### Planning to enter market



### **Biggest obstacle**





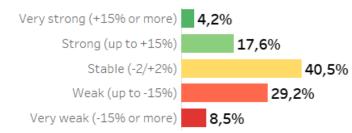
# Focus per market: **KENYA**



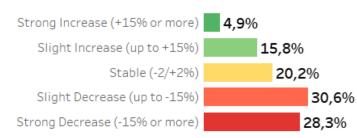
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### Market Kenya

### Current market outlook



### Performance 2020 vs 2019



### Expectations for 2021 vs 2020



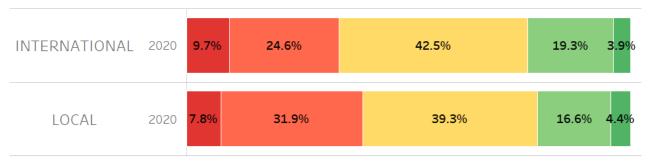
Collecting payments	11%		29%		30%	6		23%	6%
Cost-driven decision making	7%		27%		36%		2	20%	9%
Finding new projects	6%		34%		28%			26%	6%
Health & Safety concerns	7%	20	%		37%		19%		16%
Lack of financial funding		25%			39%		20%		11% <mark>4%</mark>
Lack of regulation	5%	14%		38%			29%		14%
Low-quality of products / services acceptable	8%		25%		34%		21	.%	11%
Skilled labour shortage	<mark>2</mark> % 12	%	32%		2	5%		30%	)
Strict certification requirements	8%	2	24%		32%		22%		15%
Strong competition	9%		34%			35%		15%	6 <b>7%</b>
Supply chain challenges	6%	18%			44%		21	L%	11%
Travel restrictions	11%		22%		30%		18%		19%

- Not challenging
- Slightly challenging
- Average
- Very challenging
- Extremely challenging

## Focus per market: **KENYA**

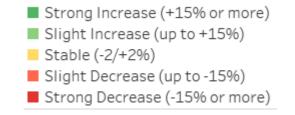


### Current market outlook



### Performance 2020 vs 2019





INTERNATIONAL	2020	12.1%	14.5%	20.8%	33.8%	18.8%
LOCAL	2020	13.3%	14.4%	21.9%	34.3%	16.1%

# Focus per market: **KENYA**

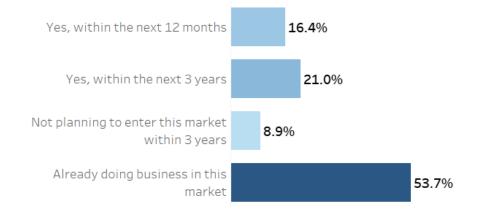
Key factors for business opportunities



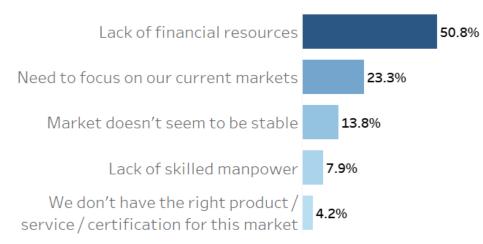
# Markets with more opportunities Kenya

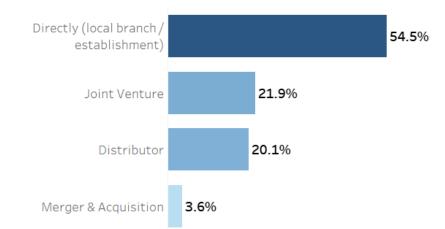
# Economic growth39.3%Growing population27.0%Rebuilding11.6%Rising incomes8.8%Access to financing7.0%Increase in tourism4.6%Other1.8%

### Planning to enter market



### **Biggest obstacle**



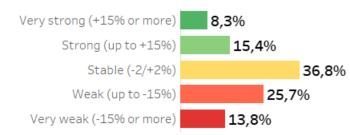


# Focus per market: **KUWAIT**





### Current market outlook



### Performance 2020 vs 2019



### Expectations for 2021 vs 2020



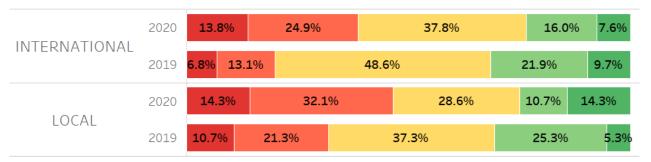
Collecting payments	10%	25%	ó	3	37%	17%		11%
Cost-driven decision making	11%	28	8%		44%		14	% <mark>3%</mark>
Finding new projects	10%	3	2%		36%	1	L5%	7%
Health & Safety concerns	7%	19%		5	3%	1	L2%	9%
Lack of financial funding	8%	20%			52%		12%	8%
Lack of regulation	7% 1	L1%		54%		15%		12%
Low-quality of products / services acceptable	8%	21%			51%		14%	6%
Skilled labour shortage	9%	18%		45%	6	19%	5	10%
Strict certification requirements	5%	18%		53%	%	1	.6%	8%
Strong competition	12%	2	29%		42%		12	% <mark>4%</mark>
Supply chain challenges	9%	19%		!	51%	1	.2%	9%
Travel restrictions	23	3%	28%		32%		129	% <mark>5%</mark>

- hallenging tly challenging
- age
- challenging
- emely challenging

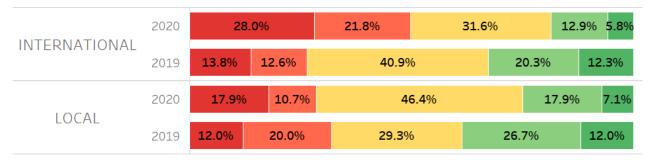
# Focus per market: **KUWAIT**

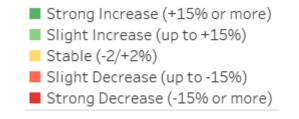


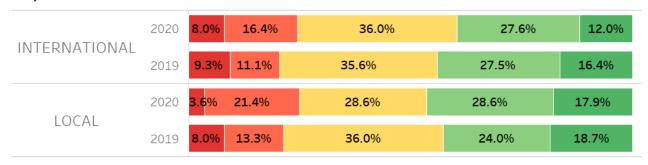
### Current market outlook



### Performance 2020 vs 2019







# Focus per market: **KUWAIT**

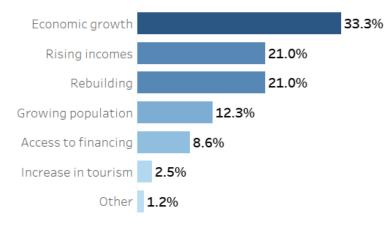


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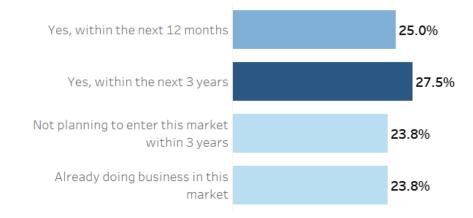
### Markets with more opportunities

Kuwait

### Key factors for business opportunities



### Planning to enter market



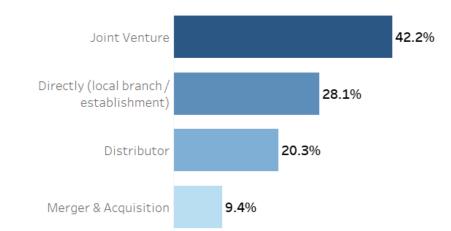
# Biggest obstacle Lack of financial resources Need to focus on our current markets Lack of skilled manpower 17.5% We don't have the right product / service / certification for this market

Market doesn't seem to be stable 11.1%

### How to enter market

28.6%

27.0%



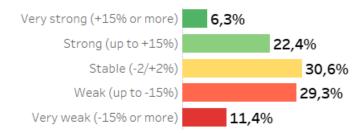
# Focus per market: NIGERIA



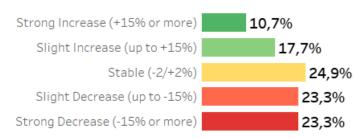
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### Market Nigeria

### Current market outlook



### Performance 2020 vs 2019



### Expectations for 2021 vs 2020



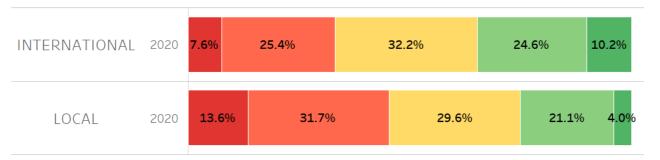
Collecting payments	7%	309	%		36	%		21%	5%
Cost-driven decision making	4%	29%			41%			21%	6%
Finding new projects	9%		45%			21%		20%	6%
Health & Safety concerns	7%	25%			38%		2	0%	10%
Lack of financial funding		24%		41%			21%		9% 5%
Lack of regulation	7%	27%		3	1%		24%	)	11%
Low-quality of products / services acceptable	11%		32%			33%		18%	6%
Skilled labour shortage	3%	23%		30%		27%	ó		18%
Strict certification requirements	5%	18%		43%			22%	ó	11%
Strong competition	9%		39%			32%		17	7% <mark>3%</mark>
Supply chain challenges	7%	25%			40%			22%	7%
Travel restrictions	9%	24%	6		36%		179	6	13%

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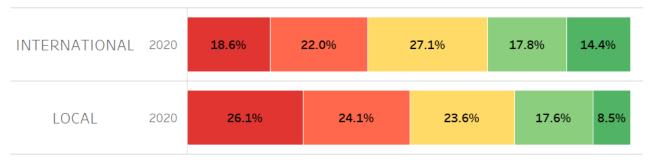
# Focus per market: NIGERIA

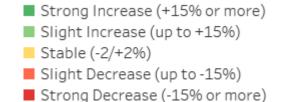


### Current market outlook



### Performance 2020 vs 2019





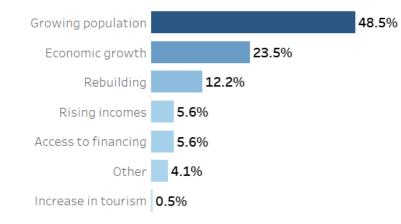
INTERNATIONAL	2020	7.6% 8.	.5%	24.6%	29.7%	29.7%
LOCAL	2020	10.1%	11.6%	21.6%	24.1%	32.7%

# Focus per market: NIGERIA

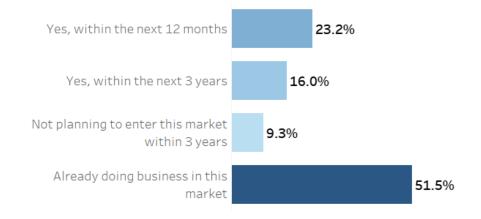


# Markets with more opportunities Nigeria •

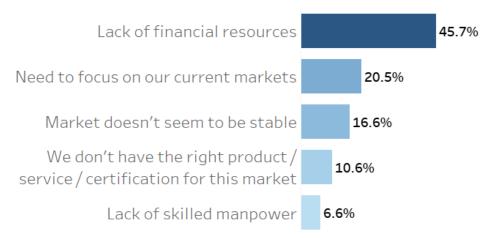
### Key factors for business opportunities

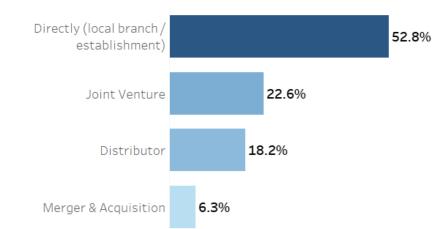


### Planning to enter market



### **Biggest obstacle**



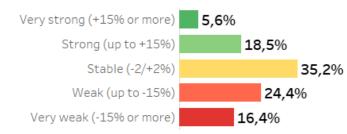


# Focus per market: OMAN

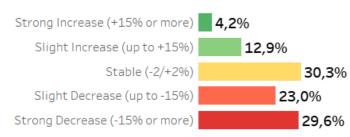




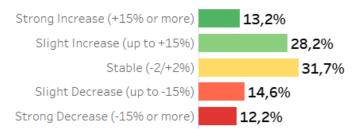
### **Current market outlook**



### Performance 2020 vs 2019



### Expectations for 2021 vs 2020



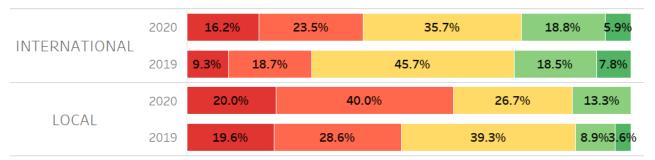
Collecting payments 10% 27% 36%	16%	10%
Cost-driven decision making 9% 28% 40%	21%	3%
Finding new projects 10% 25% 34%	26%	5%
Health & Safety concerns 6% 20% 44% 2	20%	10%
Lack of financial funding 12% 27% 39%	17%	5%
Lack of regulation 6% 12% 49% 22	.%	11%
Low-quality of products / services acceptable 10% 21% 41%	18%	10%
Skilled labour shortage 6% 19% 43% 21	L%	11%
Strict certification requirements 5% 15% 49% 2	21%	9%
Strong competition 12% 28% 34%	19%	7%
Supply chain challenges 9% 20% 49%	13%	9%
Travel restrictions 19% 27% 35%	11%	8%

- challenging
- htly challenging
- rage
- challenging
- emely challenging

# Focus per market: OMAN

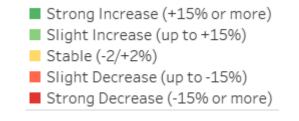


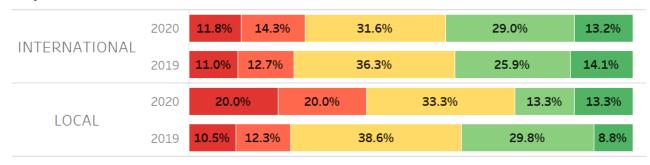
### Current market outlook



### Performance 2020 vs 2019







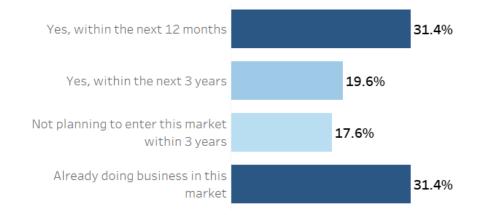
# Focus per market: **OMAN**



# Markets with more opportunities

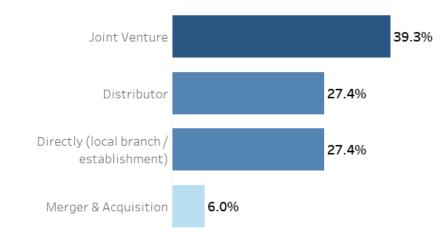
# Key factors for business opportunities Economic growth 32.0% Rebuilding 21.4% Growing population 14.6% Rising incomes 13.6% Increase in tourism 6.8% Other 5.8%

### Planning to enter market



### Biggest obstacle





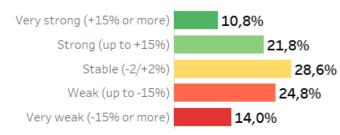
# Focus per market: SAUDI ARABIA



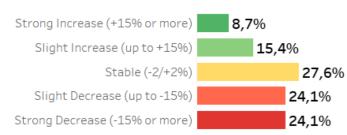
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### Market Saudi Arabia

### Current market outlook



### Performance 2020 vs 2019



### Expectations for 2021 vs 2020



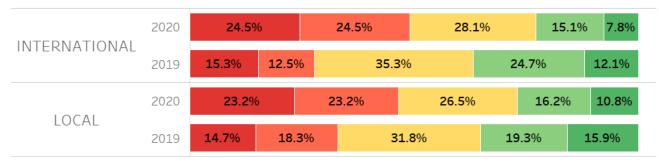
Collecting payments	14%	26%		36%	16%	8%	Not chall
Cost-driven decision making	14%	30	%	35%	16%	6%	Slightly cl Average
Finding new projects	9%	29%		32%	22%	8%	Very chall
Health & Safety concerns	10%	21%		42%	15%	13%	Extremely
Lack of financial funding	13%	26%		36%	17%	9%	
Lack of regulation	6%	19%		44%	18%	13%	
Low-quality of products / services acceptable	10%	24%		42%	15%	8%	
Skilled labour shortage	7%	22%		44%	16%	11%	
Strict certification requirements	11%	19%		41%	17%	11%	
Strong competition	14%	3	84%	33%	139	% 6%	
Supply chain challenges	11%	22%		43%	12%	12%	
Travel restrictions	219	%	27%	29%	13%	10%	

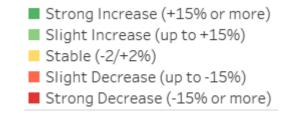
# Focus per market: SAUDI ARABIA

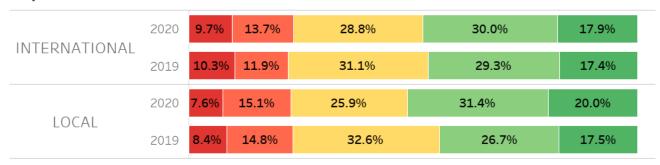


### Current market outlook 2020 12.5% 25.5% 29.0% 21.5% 11.6% INTERNATIONAL 2019 9.2% 16.2% 36.1% 25.4% 13.1% 23.2% 27.6% 22.7% 9.2% 17.3% 2020 LOCAL 2019 11.5% 23.2% 37.4% 16.5% 11.5%

### Performance 2020 vs 2019







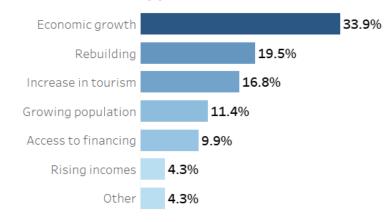
# Focus per market: SAUDI ARABIA



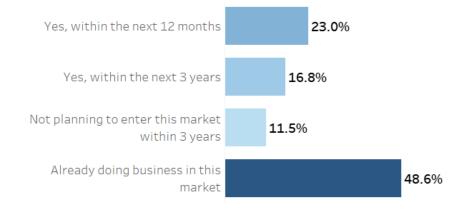
### Markets with more opportunities

Saudi Arabia

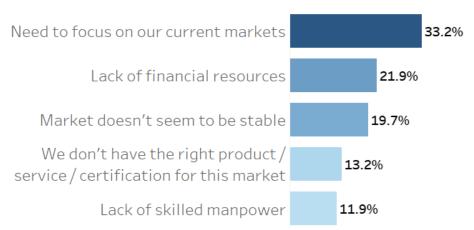
### Key factors for business opportunities

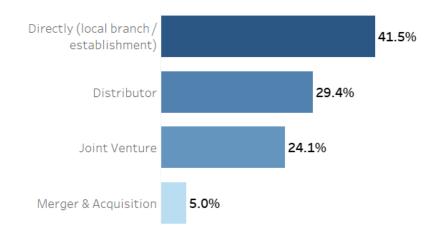


### Planning to enter market



### **Biggest obstacle**





# Focus per market: SOUTH AFRICA





### Current market outlook



### Performance 2020 vs 2019



### Expectations for 2021 vs 2020



Collecting payments	14%	24%		31%	18	3%	13%
Cost-driven decision making	11%	29%		37%		14%	9%
Finding new projects	10%	389	6	25%		19%	7%
Health & Safety concerns	10%	17%	40%		14%	18	8%
Lack of financial funding	20	%	36%	2	6%	12%	7%
Lack of regulation	9%	13%	43%		15%	20	%
Low-quality of products / services acceptable	10%	22%	36	%	189	6	15%
Skilled labour shortage	9%	19%	37%		19%	1	.6%
Strict certification requirements	8%	16%	41%		21%		14%
Strong competition	10%	30%		38%		13%	9%
Supply chain challenges	13%	25%		39%		12%	12%
Travel restrictions	16%	279	6	34%		12%	11%

- Not challenging
- Slightly challenging
- Average
- Very challenging
- Extremely challenging

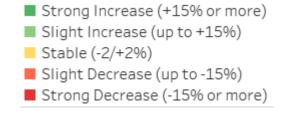
# Focus per market: SOUTH AFRICA



# Current market outlook INTERNATIONAL 2020 12.4% 22.5% 37.2% 19.4% 8.5% LOCAL 2020 16.3% 20.4% 40.8% 18.4% 4.1%

### Performance 2020 vs 2019





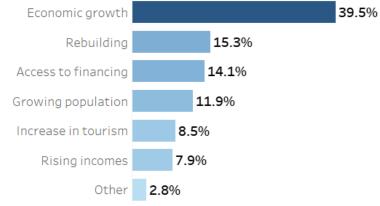
INTERNATIONAL	2020	11.6%	10.9%	23.3%	35.	7%	18.6%
LOCAL	2020	12.2%	18.4%	32	2.7%	18.4%	18.4%

# Focus per market: SOUTH AFRICA

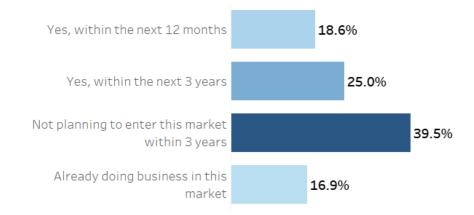


# Markets with more opportunities South Africa

## Key factors for business opportunities

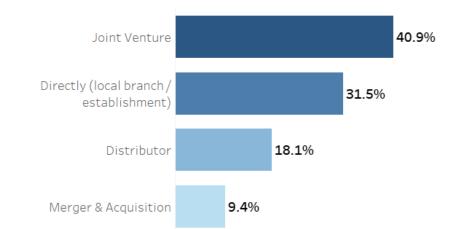


### Planning to enter market



### **Biggest obstacle**



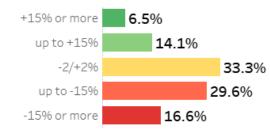


# Focus per market: UNITED ARAB EMIRATES

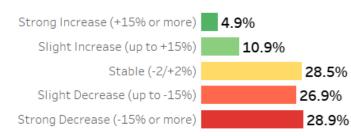




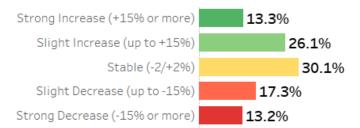
### Current market outlook



### Performance 2020 vs 2019



### Expectations for 2021 vs 2020

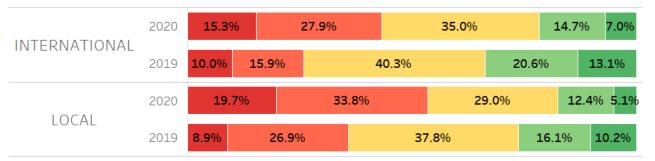


Collecting payments	16%		29%		31%		16%	7%
Cost-driven decision making	12%	319	6		37%		15%	6 5%
Finding new projects	11%	32%	ò		33%		16%	8%
Health & Safety concerns	9%	19%		39%		16%		16%
Lack of financial funding	13%	26%			39%		16%	6%
Lack of regulation	<mark>4%</mark> 10%		43%		22%	ó	22	%
ow-quality of products / services acceptable	10%	19%		42%		16	%	12%
Skilled labour shortage	5% 1	.5%	44	1%		20%		16%
Strict certification requirements	6%	18%		42%		20%		15%
Strong competition	17%		33%		32%		14	% 4%
Supply chain challenges	7%	21%		45%		1	6%	11%
Travel restrictions	17%	24	%	3	4%		16%	9%

# Focus per market: UNITED ARAB EMIRATES

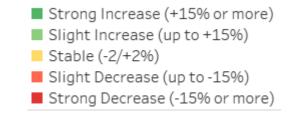


### Current market outlook



### Performance 2020 vs 2019





INTERNATIONAL	2020	13.6%	16.6%	29.9%	26.9%	13.0%
	2019	12.8%	11.9%	34.2%	26.1%	15.1%
LOCAL	2020	12.1%	19.1%	30.6%	23.9%	14.3%
	2019	9.3%	14.4%	32.6%	26.8%	16.9%

# Focus per market: UNITED ARAB EMIRATES

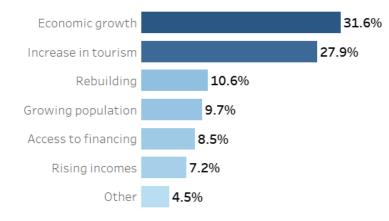


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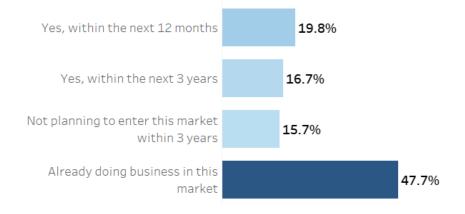
Markets with more opportunities

United Arab Emirates

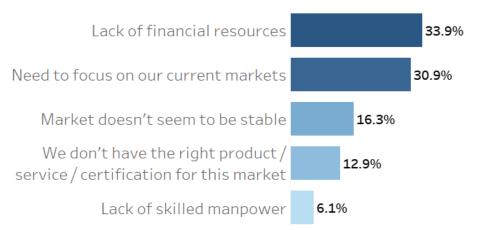
### Key factors for business opportunities

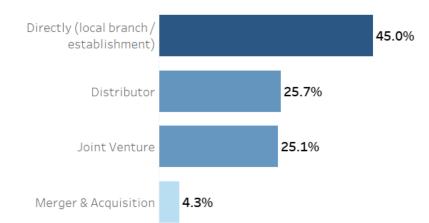


### Planning to enter market



### **Biggest obstacle**











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