

PwC 19th Annual Global CEO Survey - 2016

ASEAN highlights (*CEOs from Cambodia, Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam participated in the survey*)

38% of ASEAN CEOs very confident of 12-month revenue growth – 9 points lower than last year

Note: global figures in brackets

62% believe that there are more growth opportunities for their company than 3 years ago

Company growth prospects

- At 38%, the number of ASEAN CEOs very confident of their company's growth in the next 12 months is 9 points lower than last year, and 3 points higher than this year's global average (35%).
- In the longer term, 57% of ASEAN CEOs are very confident of growth over the next three years, 3 points up on last year and 8 points higher than this year's global average (49%).

Global economy

- 39% of ASEAN CEOs anticipate an improvement in the global economy – 10 points down on last year but 12 points above this year's global average (27%). 19% (23%) of ASEAN CEOs think global economic growth will decline.

Growth opportunities

- 62% (60%) of ASEAN CEOs believe there are more growth opportunities for their company today than three years ago.
- When asked to name the countries most important to them for their growth in the next 12 months, 49% of ASEAN CEOs said China, 42% said the US, and 19% said Vietnam and Indonesia.

Threats

- 80% (66%) of ASEAN CEOs believe there are more threats to the growth of their company today than three years ago.
- The top three potential economic and policy threats highlighted by ASEAN CEOs: 86% (73%) cited exchange rate volatility, 84% (65%) cited social instability, and 81% (74%) cited geopolitical uncertainty.
- Of business threats, 88% (72%) of ASEAN CEOs stated availability of key skills, 80% (55%) stated bribery and corruption, and 75% (55%) stated lack of trust in business. 75% (57%) also stated new market entrants.

Restructuring

- 64% (68%) of ASEAN CEOs plan to implement a cost-reduction initiative over the next 12 months.
- 64% (49%) also plan to enter into a new strategic alliance or joint venture.



Headcount & talent

- 59% (48%) of ASEAN CEOs expect to increase headcount in the next 12 months, with 12% (21%) planning to cut their workforce.
- When asked about their talent strategy, 43% of ASEAN CEOs stated they would make changes around building a pipeline of leaders for tomorrow (49%) and 43% also stated they would make changes around workplace culture and behaviours (41%). 39% (38%) stated they would make changes around effective performance management and 39% (33%) also stated they would make changes around pay, incentives and benefits provided to employees. 32% (30%) stated they would make changes around their focus on skills and adaptability in their employees.

Disruptive trends & business success

- When asked to identify disruptive trends in their industry most likely to transform wider stakeholder expectations over the next five years, 77% (77%) cited technological advances, 55% (58%) cited shift in global economic power, and 51% (43%) cited resource scarcity and climate change.
- When asked whether business success in the 21st century will be redefined by more than financial profit, 80% (76%) of ASEAN CEOs agreed.

Stakeholder expectation & purpose

- When asked how their organisational purpose had been impacted by wider stakeholder expectation, 39% (45%) of ASEAN CEOs stated that they have always had an organisational purpose that includes broader impact on society.
- 81% (84%) of ASEAN CEOs stated their organisations are expected to address wider stakeholder needs, 80% (82%) stated their organisations prioritise long term over short term profitability, and 68% (72%) stated their organisations report both financial and non-financial matters.

Changes in response to shifting stakeholder expectations

- 94% (90%) of ASEAN CEOs are changing how they use technology to assess and deliver wider stakeholder expectations, and 94% (93%) are also changing how they define and manage risks.
- 93% (90%) are making changes in relation to workforce rights and wellbeing.
- 90% (93%) are changing how they manage brand, marketing, and communications and 90% (73%) are also changing to develop new 'ethical' products and services.

Government

- 43% (32%) of ASEAN CEOs thought that the government had been effective in achieving high levels of employment.
- 33% (32%) thought that the government had been effective in achieving adequate physical and digital infrastructure.
- 32% (26%) thought the government had been effective in achieving safeguards around the use of personal data.
- When asked what should be a top priority for businesses to help deliver, 71% (75%) of ASEAN CEOs cited a skilled, educated and adaptable workforce, 41% (39%) cited adequate physical and digital infrastructure, and 38% (35%) cited workforce diversity and inclusiveness.

Tax matters

- 91% (87%) of ASEAN CEOs agree that tax is a business cost that needs to be efficiently managed like any other business cost.
- 81% (73%) agree that reducing the administrative burden of tax is as beneficial as reducing tax rates.
- 80% (71%) also agree that a business's approach to tax and tax transparency affects its reputation.