

SHAKY GLOBAL ECONOMY DOGS ALL CEOS

Asia-Pacific bosses fret about inflation

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THE NATION

Global economic uncertainty remains the highest concern for business growth among top executives worldwide this year, while inflationary pressures cause more worries in Asia and the Pacific than in other regions, according to a PricewaterhouseCoopers survey.

"This is an economic and policy threat that is difficult to control," Prasan Chauphanich, executive chairman of PwC Thailand, said yesterday.

All businesses should perceive and prepare for expected and unexpected risks in managing their operations, he said.

About 80 per cent of the 1,258 chief executives polled worldwide in PwC's 15th annual global CEO survey show concern about uncertain economic growth.

About 83 per cent of the CEOs in Asia are worried about uncertain or volatile economic growth and 57 per cent of them are significantly more concerned about inflationary pressures than their global counterparts.

Concerns over global economic uncertainty have become clearer in this year's survey after there were some signs from the Greek sovereign debt crisis in 2010, Prasan said.

In the Asia-Pacific region, other top economic and policy risks include currency volatility and unstable capital markets.

The regional business threats extend from increasing tax burdens, availability of key skills to energy costs.

Globally, 48 per cent of the CEOs surveyed expect global economic growth to decline further over the next 12 months.

Given the global economic slowdown, confidence has been disrupted. Short-term confidence also fell among Asia-Pacific CEOs to 42 per cent from 54 per cent in the previous year.

China saw the biggest drop in confidence in the region, with 51 per cent of CEOs expressing high confidence, down from 72 per cent.

The biggest slide in confidence was seen in Western Europe. About 27 per cent of CEOs in that region are confident about their revenue growth prospects over the next 12 months, down from 39 per cent a year earlier.

"The ongoing debt crisis in the [European Union], along with other lingering economic uncertainties, has deflated confidence in business growth around the world," said Dennis Nally, chairman of PwC International.

"Even the fast-growing economies of Asia and Latin America are not immune to the realities of continued economic stagnation."

"CEOs all around the world are concerned about the health of the global economy."