

# 26th Annual Global CEO Survey

## Armenian edition

February 2023





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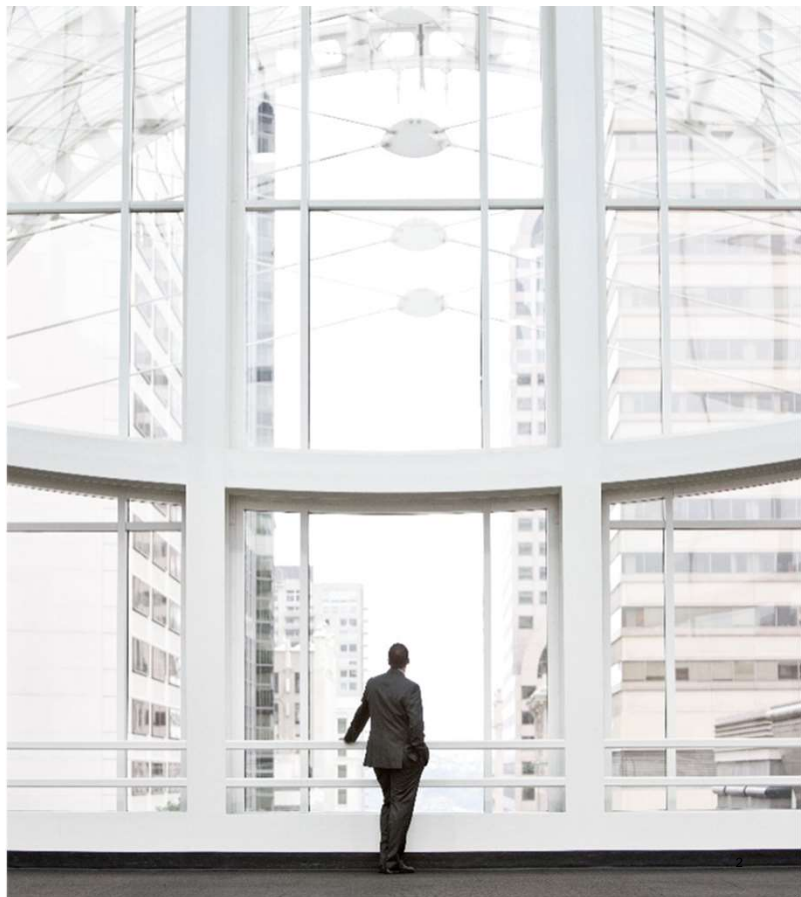
### Quote

Every year, PwC conducts a global survey of the CEOs of major companies. The Annual Global CEO Survey is a flagship PwC survey, in which the views of thousands of chief executives around the world take part. PwC Armenia, a member of the global network, is proud to release its second CEO survey this year, as the global one, which was just launched at the Davos Economic Forum on 16 January 2023, is already in its 26th year.

The aim of this publication is to support the businesses operating in Armenia to keep an eye on the big picture and try to find the responses, especially at a time when so many questions remain unanswered.

Similar to CEOs in Central and Eastern Europe, CEOs in Armenia emphasized the urgent need for transformation in order for their businesses to be economically viable in a decade. What other threats and risks should we be aware of?

I hope this publication will give you valuable insights and inspire you to further identify market needs and interesting trends.



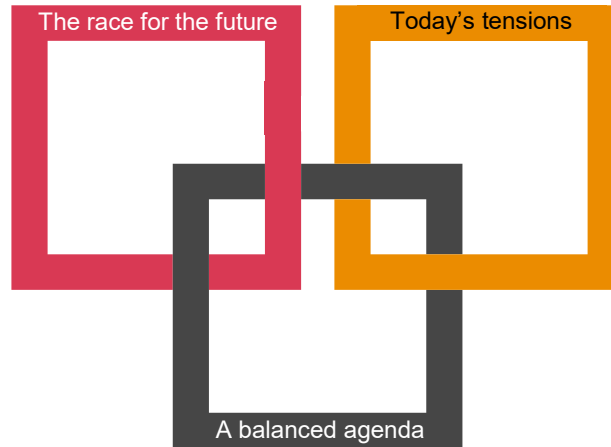
# CEO Survey: winning today's race while running tomorrow's

**Two data points:** 4 in 10 CEOs don't think their organisations will be economically viable in 10 years' time, if they continue on their current course. Almost 75% of global CEOs believe global economic growth will decline over the next 12 months.

**Three priorities:** Race for the future, confront today's tensions, drive a balanced agenda

**Nine questions** for engaging our clients.

- What's the half-life of your business?
- When will your company's climate clock run out?
- Should you bring your key risks forward?



- How much is your mood today affecting your view of tomorrow?
- How do your resilience and your workforce strategies fit together?
- As geopolitical risks rise, what new contingencies are you preparing for?

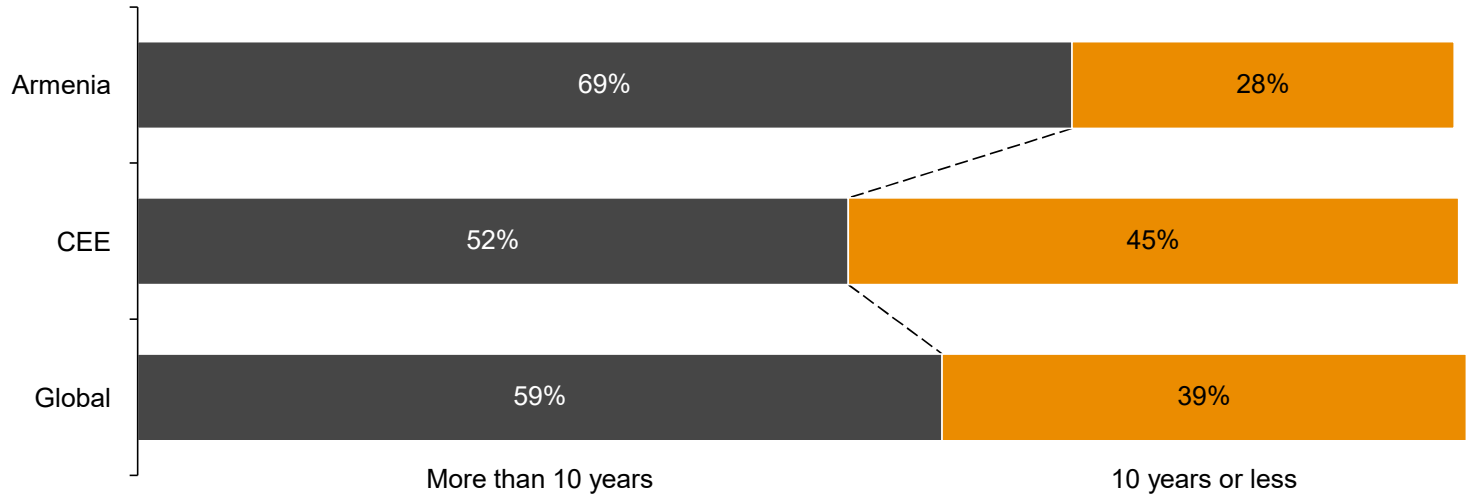
- How much time and money are you investing in the future?
- How central are you to your company's reinvention?
- What kind of ecosystem are you building?

A man in a light-colored shirt and glasses is sitting cross-legged on a rooftop at night. He is looking at a smartphone in his hands. The background is a city skyline with many lit-up skyscrapers under a dark blue sky. A red square graphic is overlaid on the left side of the image, containing the text.

**The race  
for the  
future**

## Nearly 30% of **CEOs in Armenia** don't think their companies will be economically viable a decade from now if they continue on their current path

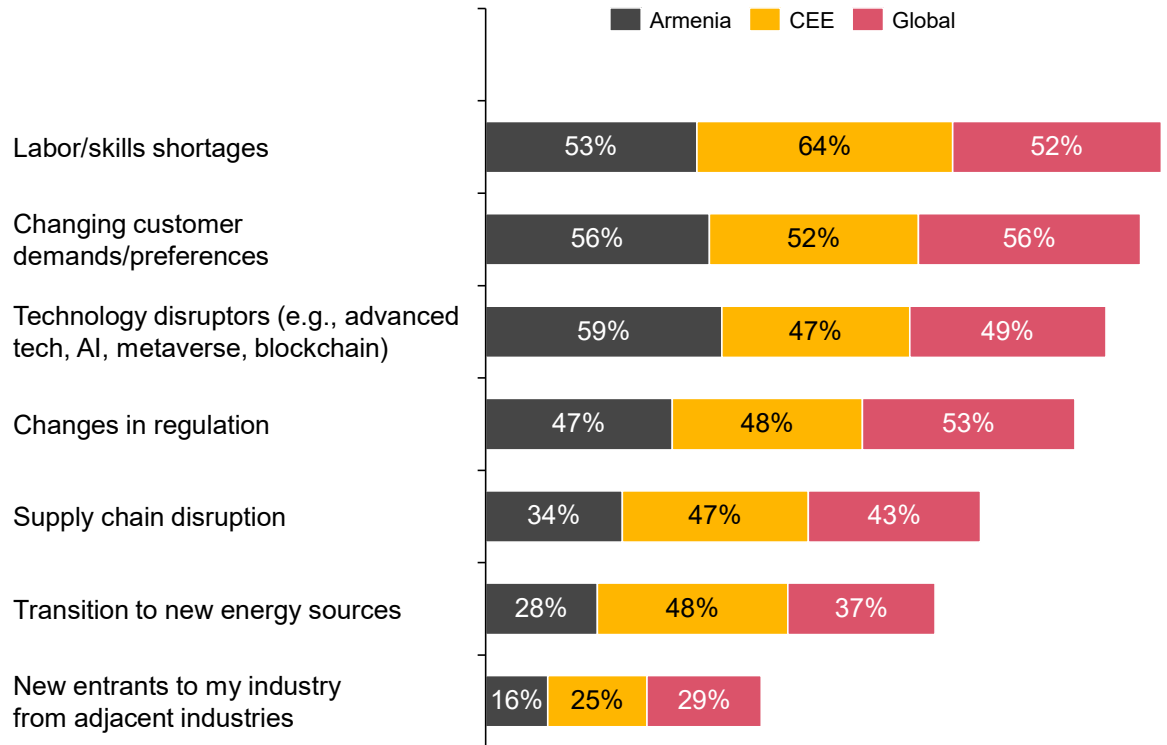
If your company continues running on its current path, for how long do you think your business will be economically viable?



# CEOs see multiple challenges to profitability in their industry

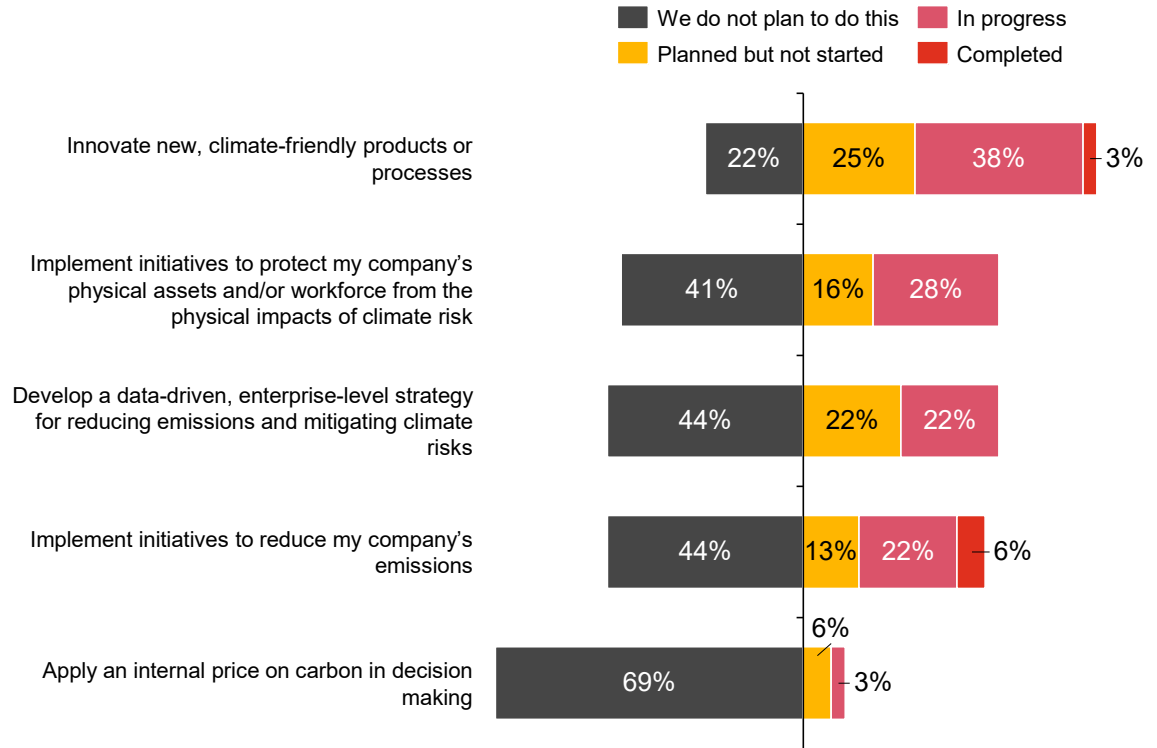
To what extent do you believe (...) will impact (i.e., either increase or decrease) profitability in your industry over the next ten years?

(Showing sum of "to a large extent" and "to a very large extent" responses)



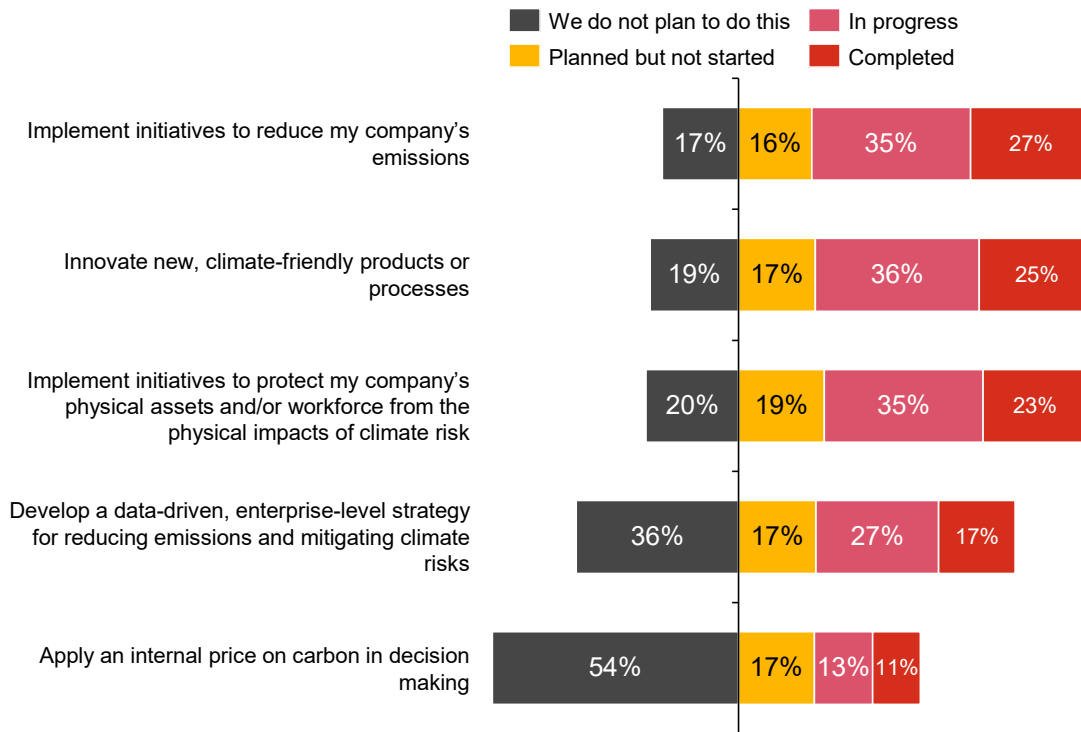
# Companies in Armenia are trying to innovate new, climate-friendly products or processes

Actions companies may undertake to prepare for the risk of climate change. Which statement best characterises your company's level of progress on these actions?



# Many companies globally are trying to decarbonise, innovate, and craft climate strategy in parallel

Actions companies may undertake to prepare for the risk of climate change. Which statement best characterises your company's level of progress on these actions?

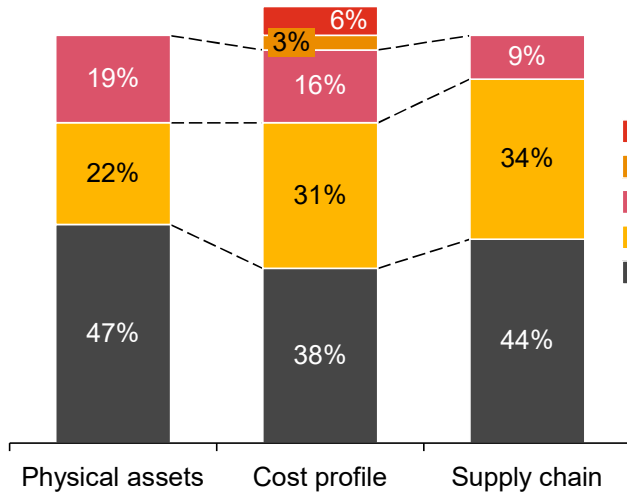




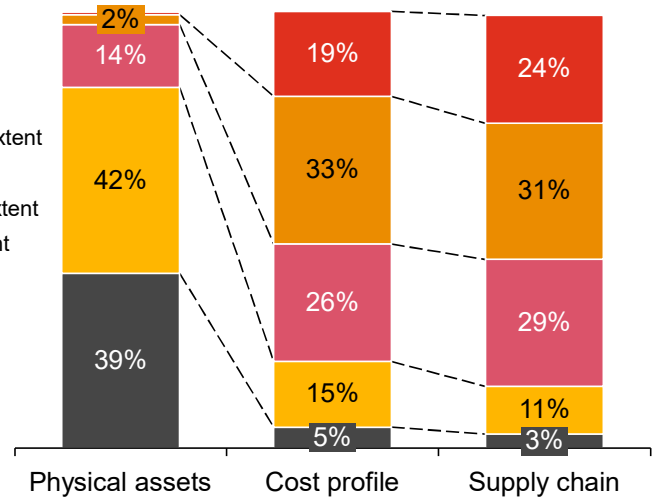
# Over the next 12 months, CEOs in Armenia see climate risk impacting their physical assets and cost profiles more than their supply chains

To what extent do you expect the following areas of your business to be impacted by climate risk in the next 12 months?

## Armenia

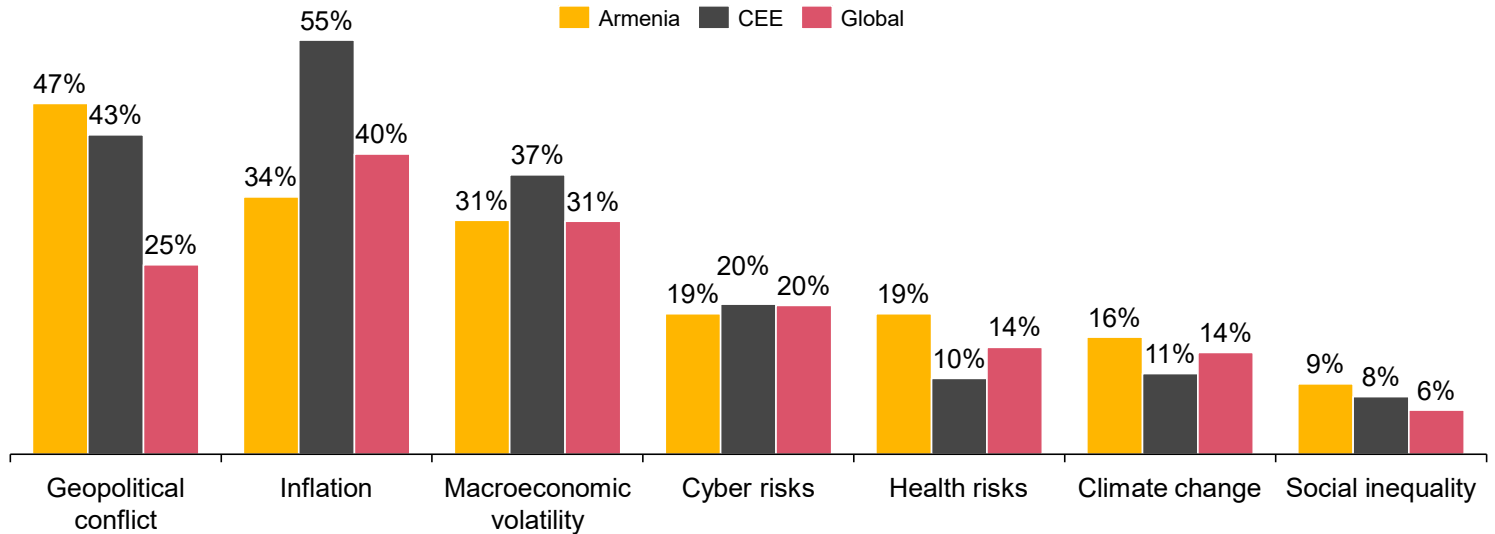


## CEE



# Geopolitical conflict, inflation and macroeconomic volatility stand out more prominently from other key threats in the next 12 months **in Armenia**

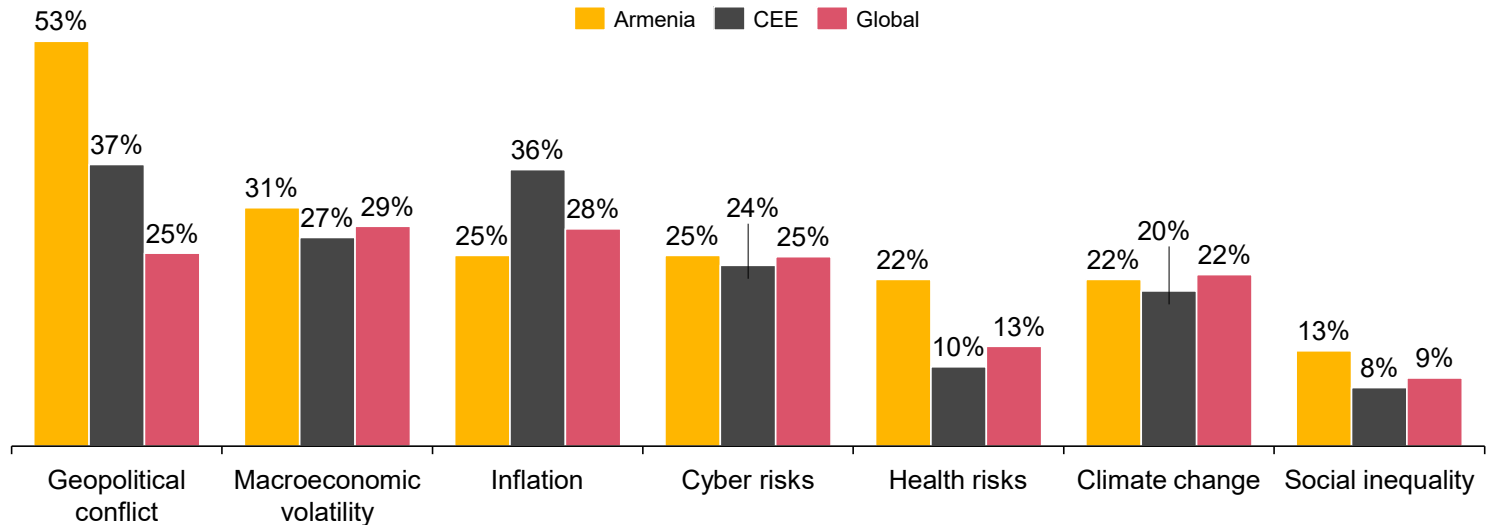
**How exposed do you believe your company will be to the following key threats in the next 12 months**  
(Showing sum of 'highly exposed' and 'extremely exposed' responses)



# Geopolitical conflict and macroeconomic volatility stand out more prominently from other key threats in the next next five years **in Armenia**

How exposed do you believe your company will be to the following key threats in the five years?

(Showing sum of 'highly exposed' and 'extremely exposed' responses)

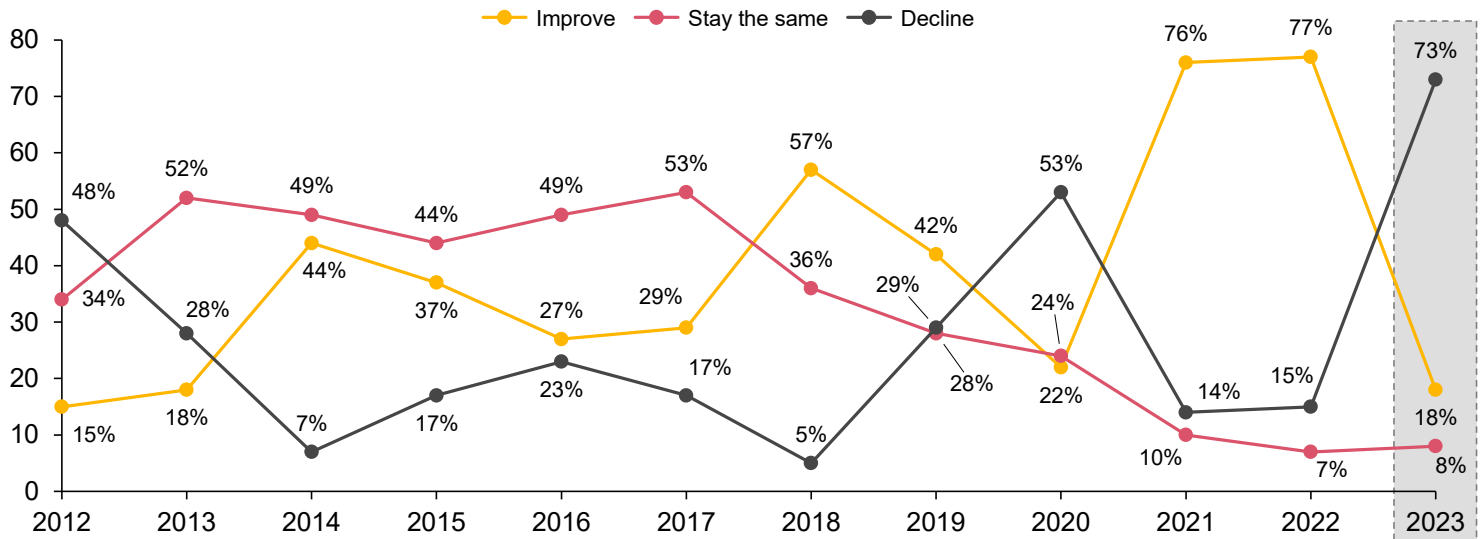




**Today's  
tensions**

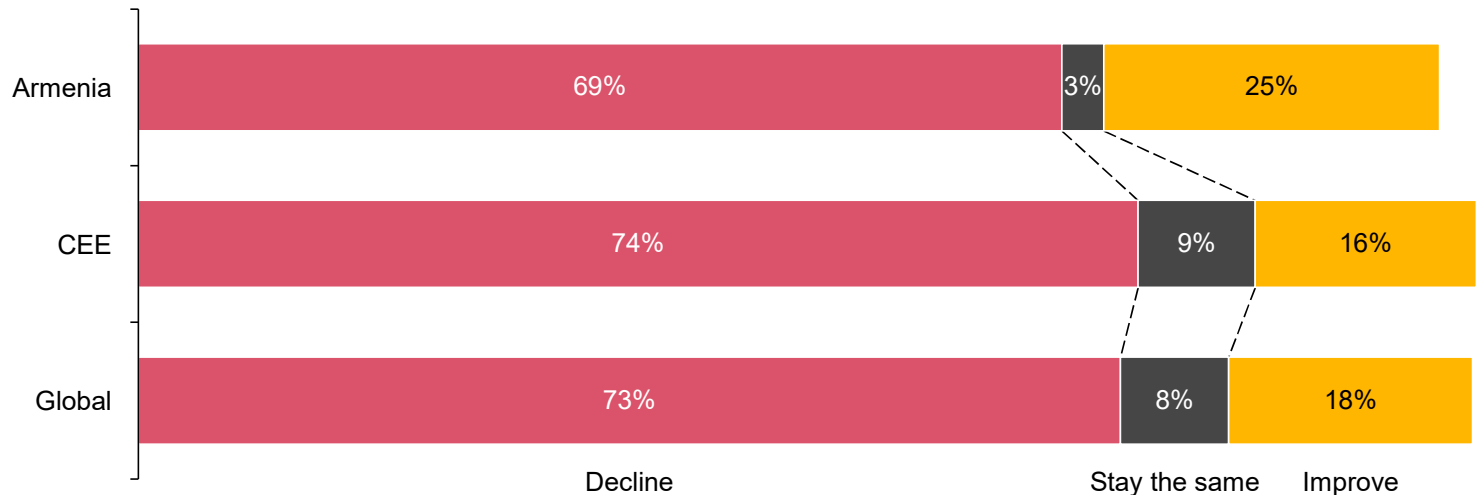
# CEOs **globally** are extremely pessimistic about global economic growth for the year ahead, in a dramatic shift from last year's optimistic outlook

How do you believe economic growth (i.e., gross domestic product) will change, if at all, over the next 12 months in the global economy?



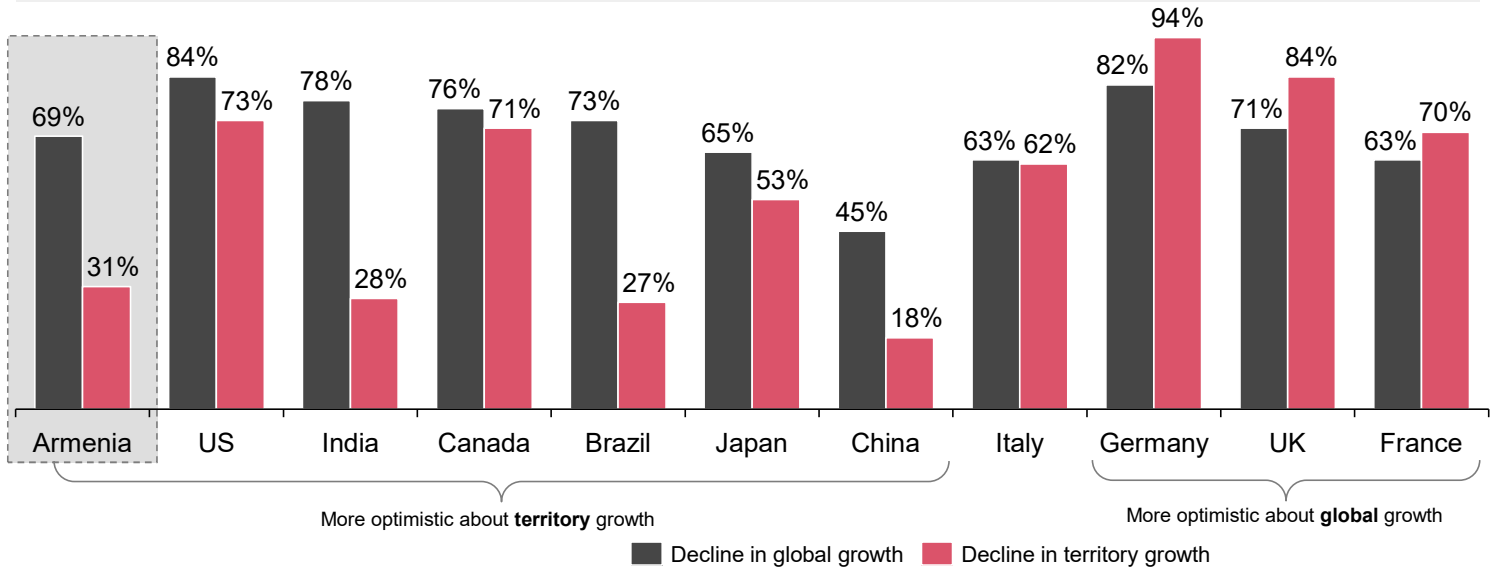
## CEOs in Armenia have comparable level of optimism about global economic growth for the year ahead, compared to CEOs in CEE and globally

How do you believe economic growth (i.e., gross domestic product) will change, if at all, over the next 12 months in the global economy?



# Leaders in many major economies are more optimistic about the near-term growth prospects of their own countries than the global economy

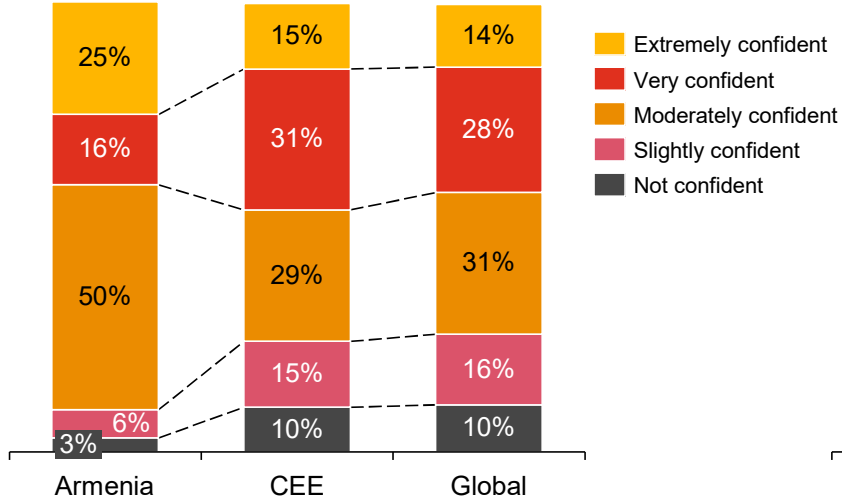
How do you believe economic growth (i.e., gross domestic product) will change, if at all, over the next 12 months in the global economy/your country/territory?



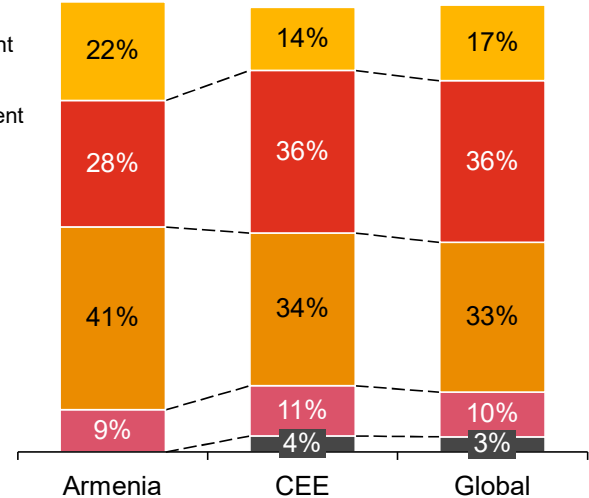
# CEOs' in Armenia are more confident in their own company's growth compared to CEOs in CEE and globally

How confident are you about your organisation's prospects for revenue growth over the next (...)?

12 months



Three years



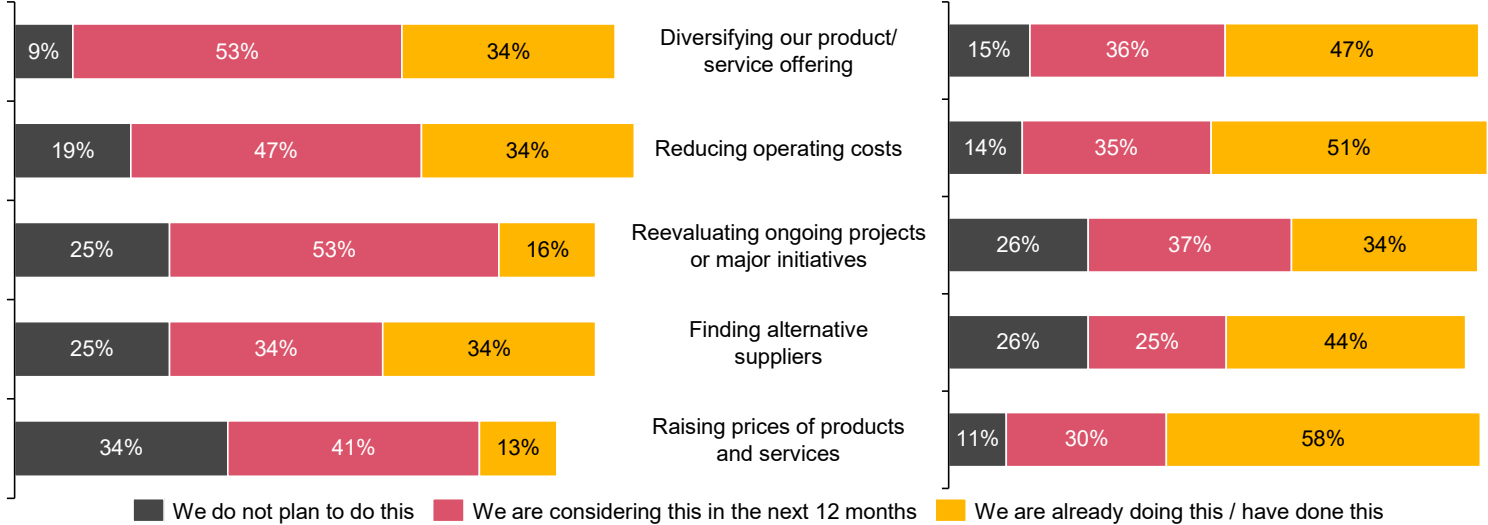


# In response to the current environment, CEOs in Armenia mostly report cutting costs, diversifying product/service offering and reevaluating ongoing projects

What actions, if any, is your company considering to mitigate against potential economic challenges and volatility in the next 12 months?

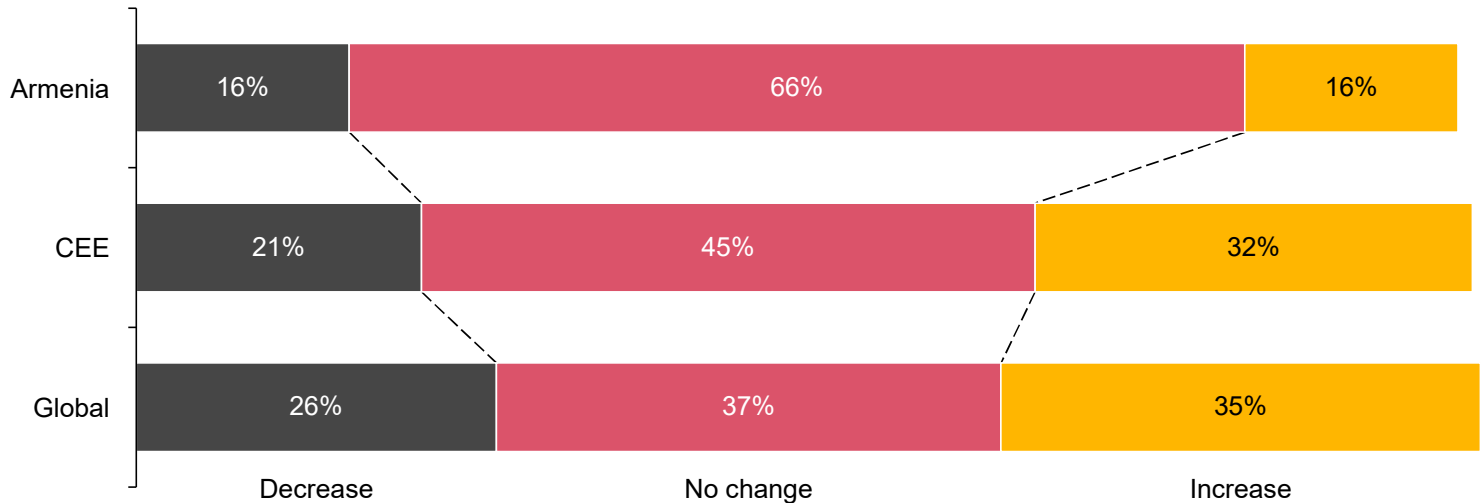
## Armenia

## CEE



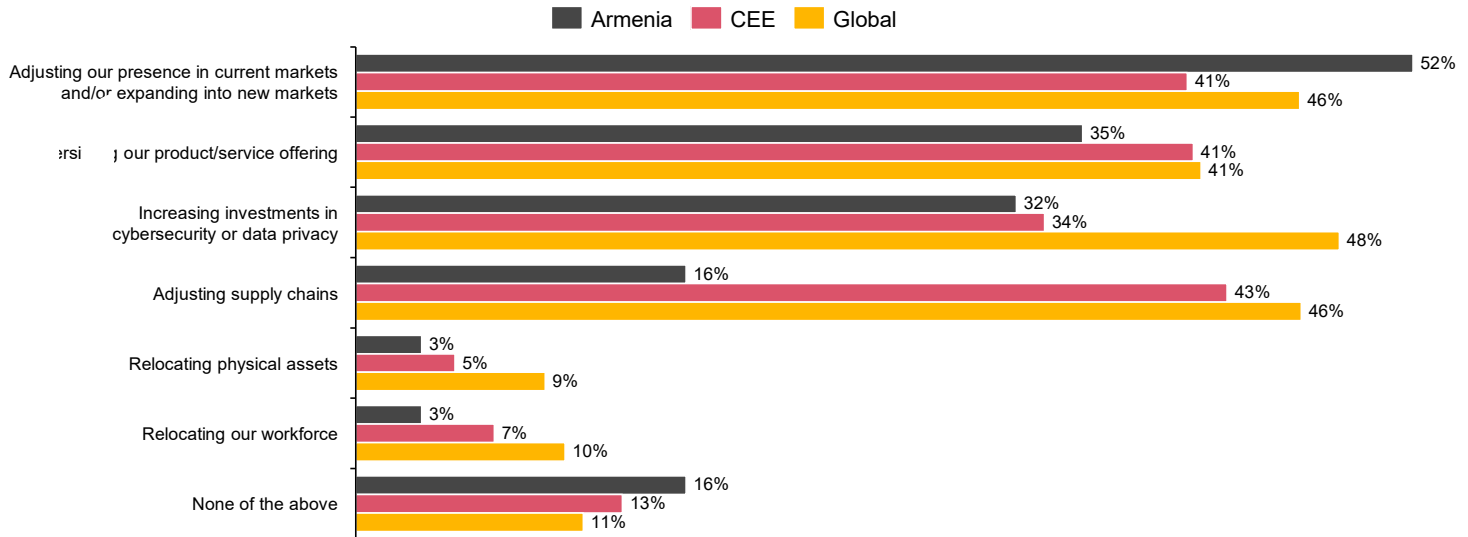
# CEOs in Armenia expect current employee resignation rates to continue largely unchanged that differs from the views of CEOs in CEE and globally

How do you believe employee resignation/retirement rates in your company will change in the next 12 months?



# CEOs are expanding into new markets, diversifying products/services and increasing cyber investments in response to geopolitical conflicts

What actions, if any, is your company considering to mitigate against exposure to geopolitical conflict in the next 12 months?



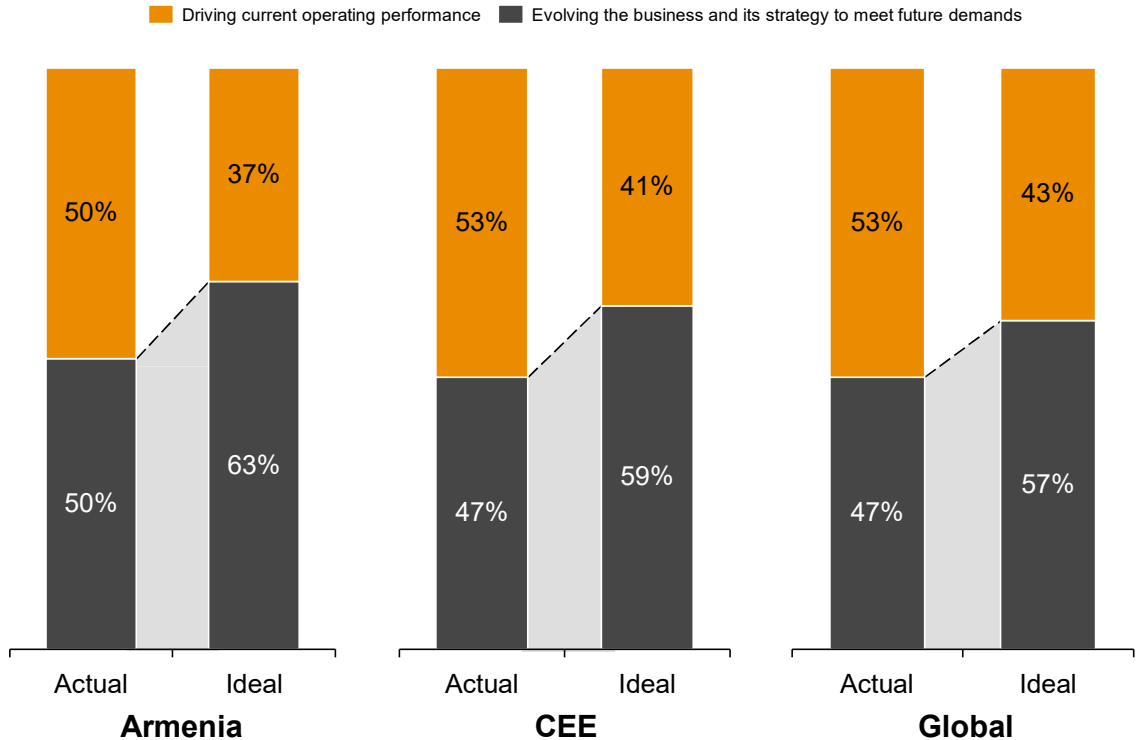


**A  
balanced  
agenda**

# CEOs want to spend more time reinventing their business

During your work time, on average, what percentage of time do you spend on each of the following?

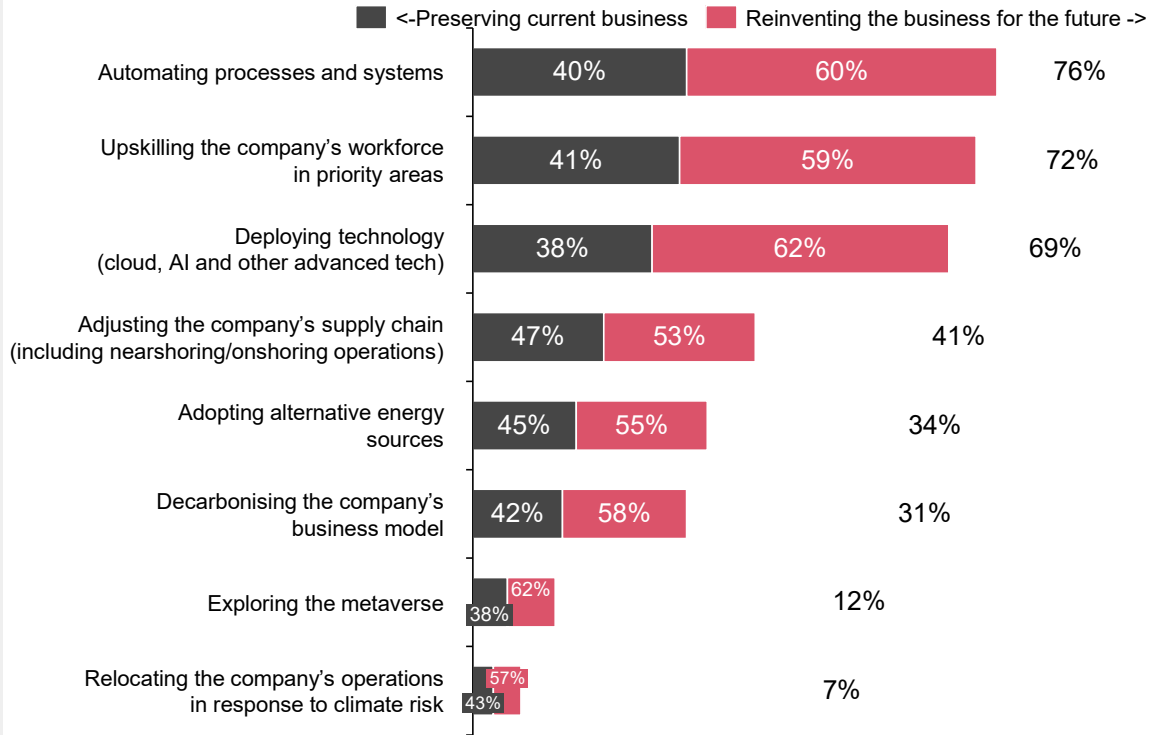
Knowing what you know now, if you could start over with a blank calendar, how would you allocate your time as CEO?



# Technology- and reinvention-oriented investments loom large for many global CEOs

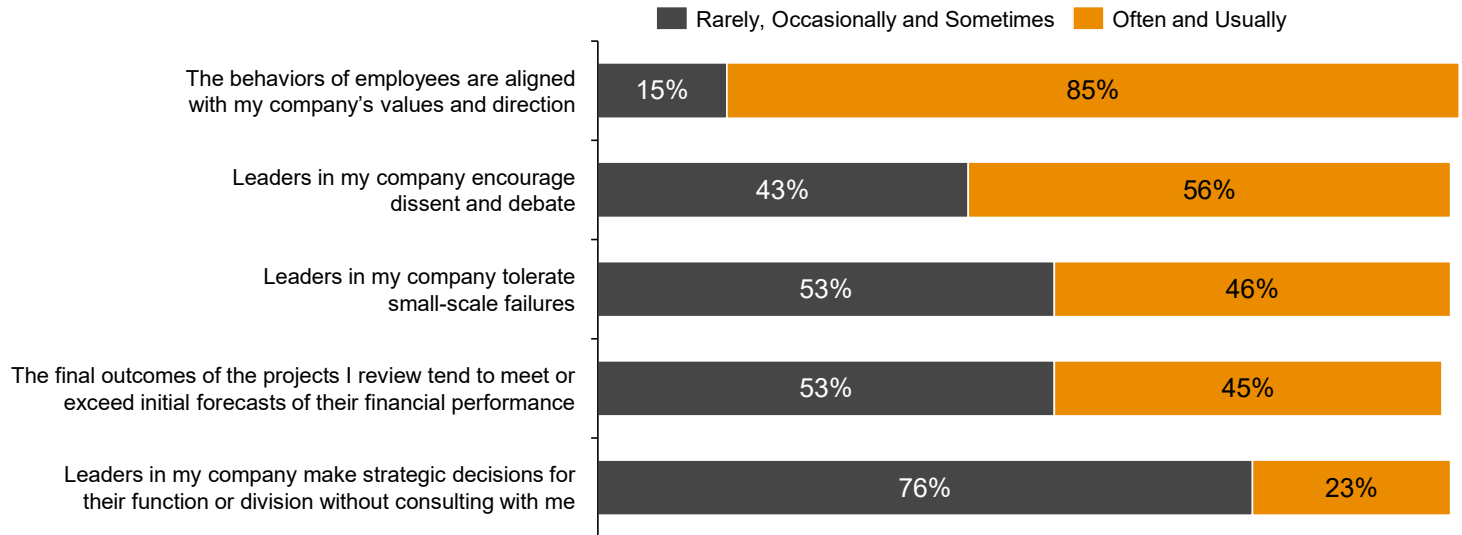
Which of the following investments, if any, is your company making in the next 12 months?

For each of the investment areas selected, please identify the extent to which these are to preserve current business or to reinvent the business for the future?



# Many CEOs **globally** question whether critical preconditions for organisational empowerment and entrepreneurship are present in their companies

For each of the statements below, please indicate how frequently these occur in your company

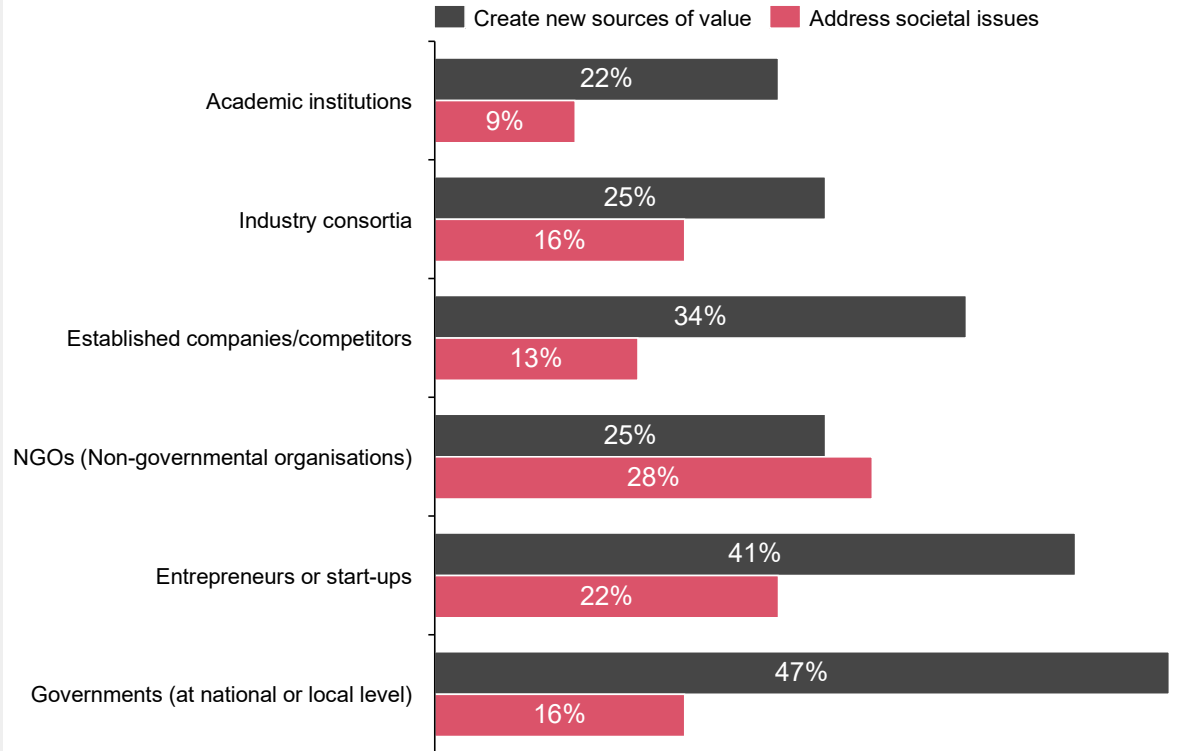


# CEOs in Armenia are more likely to collaborate to create business value than to solve societal issues

To what extent is your company collaborating with the following groups to:

a) Create new sources of value?

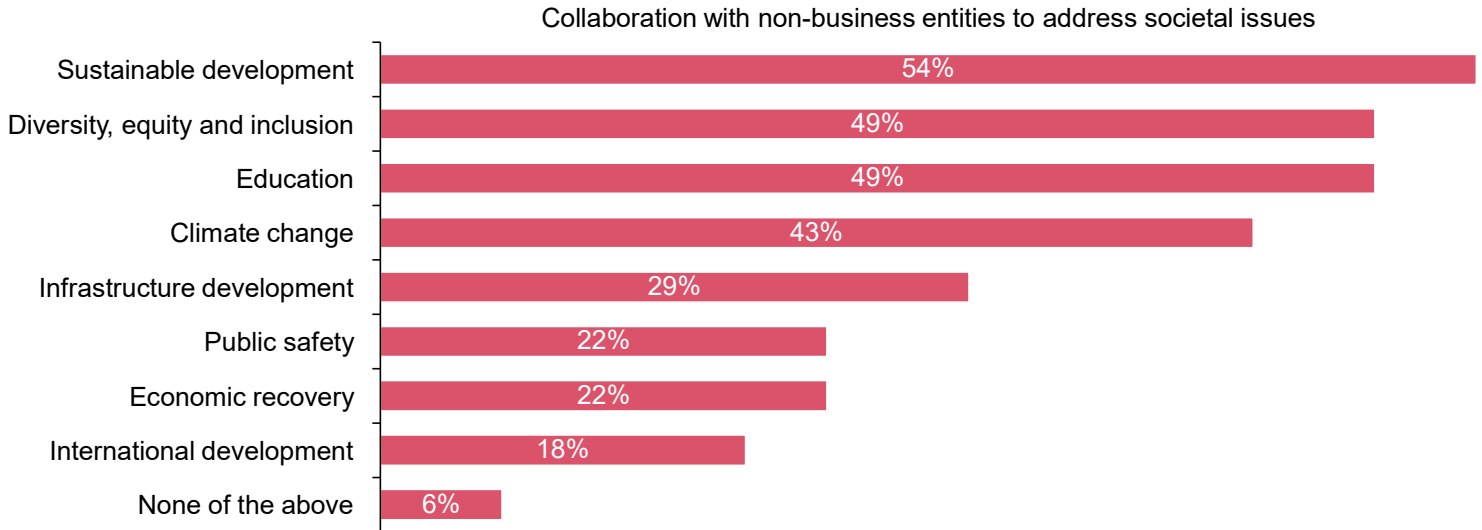
b) Address societal issues?  
[showing % to a large extent + to a very large extent]





# Global CEOs are partnering with non-business entities to address sustainable development, education, DE&I and climate change

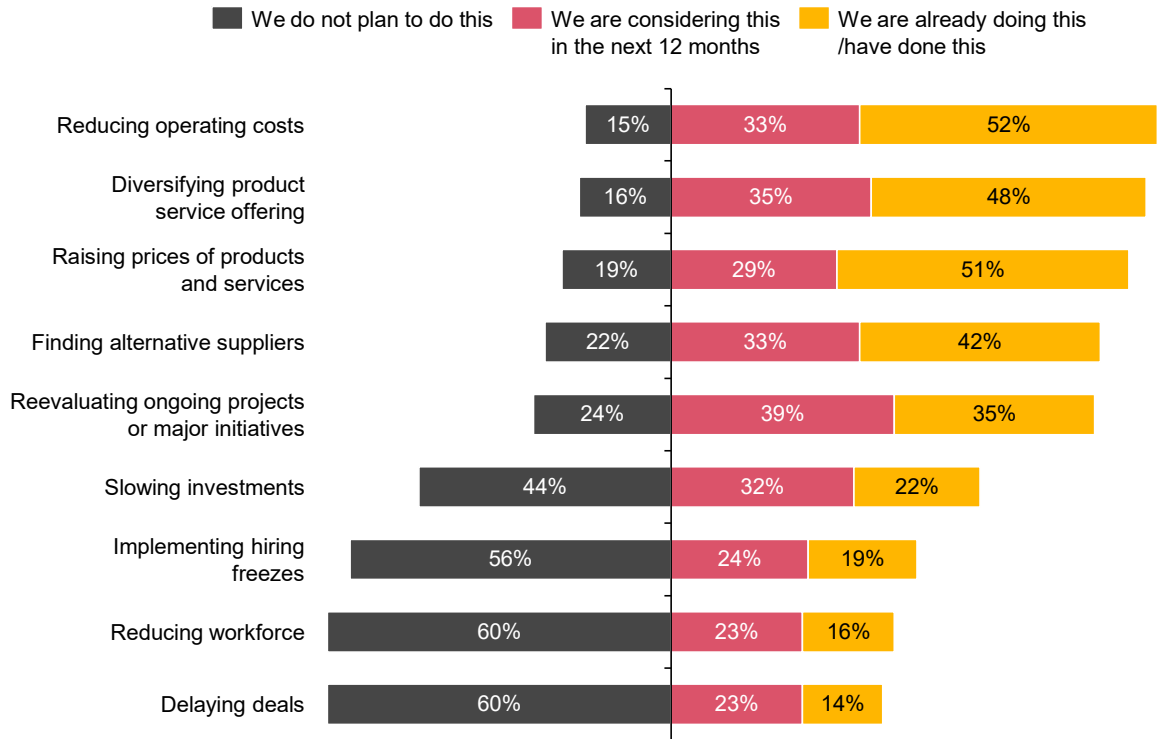
In which of the following areas is your company collaborating with non-business entities (governments, NGOs or academic institutions) to address societal issues?



# Appendix

In response to the current environment, **CEOs globally** report cutting costs and spurring revenue growth—but most don't plan to reduce workforce

What actions, if any, is your company considering to mitigate against potential economic challenges and volatility in the next 12 months?



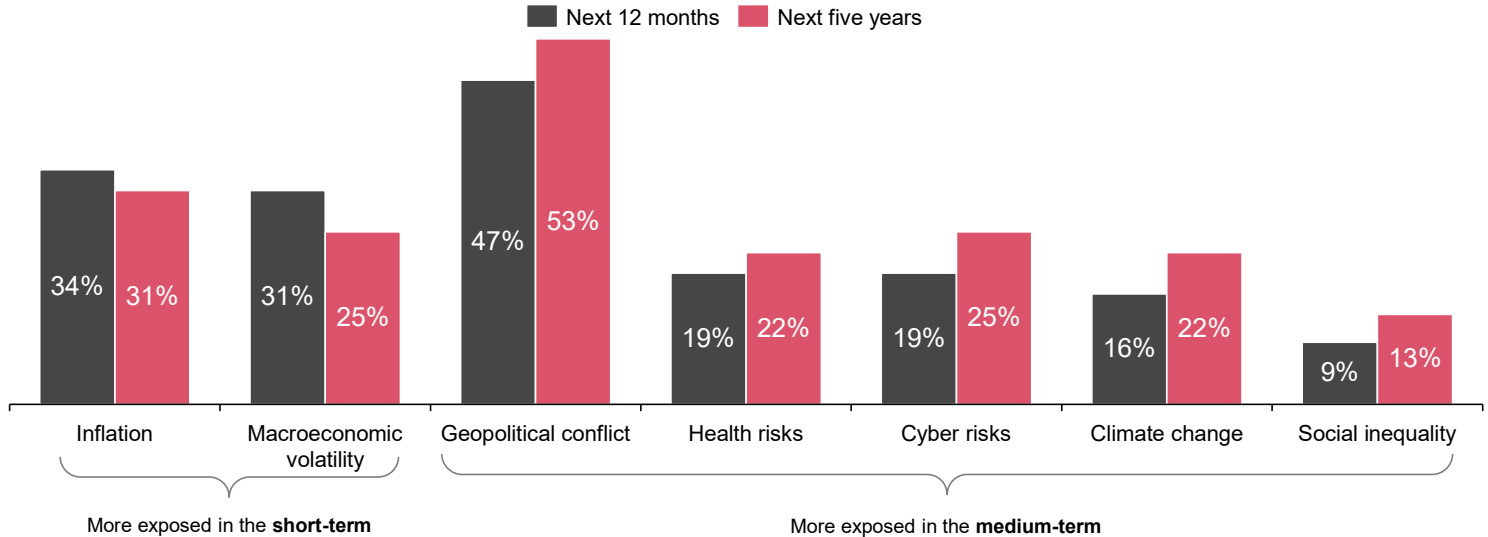
# Inflation and macroeconomic volatility stand out more prominently from other key threats in the next 12 months than over the next five years in a view by CEOs in Armenia

How exposed do you believe your company will be to the following key threats in:

a. The next 12 months

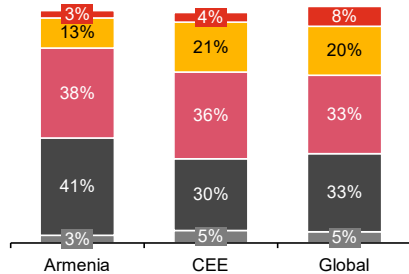
b. The next five years?

Comparing 12 month exposure vs 5 year exposure (sum of highly + extremely exposed)

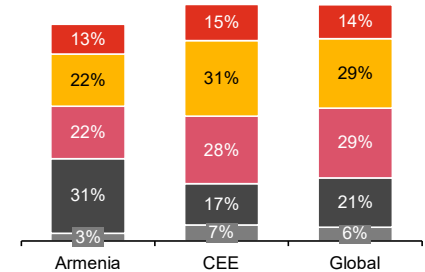


# To what extent do you believe the following will impact (increase or decrease) profitability in your industry over the next **ten years**?

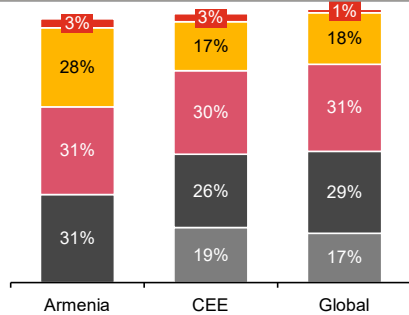
## New entrants



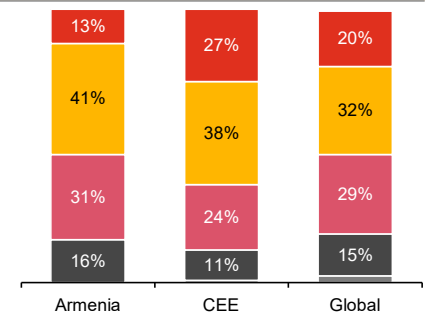
## Supply chain disruption



## Technology disruptors



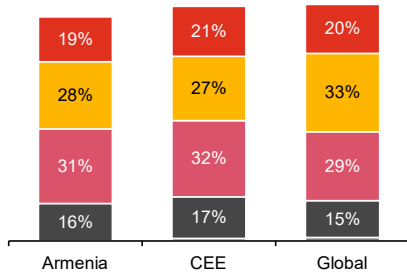
## Labor/skills shortages



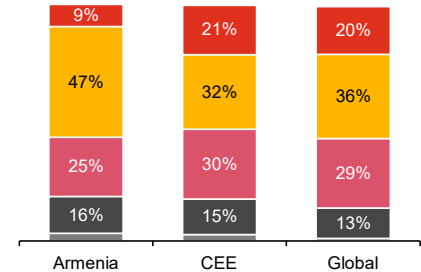
- To a very large extent
- To a large extent
- To a moderate extent
- To a limited extent
- Not at all

# To what extent do you believe the following will impact (increase or decrease) profitability in your industry over the next **ten years**?

## Changes in regulation

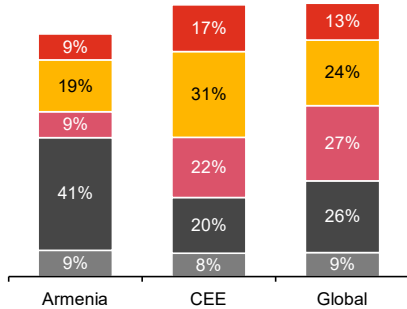


## Changing customer demand/preferences



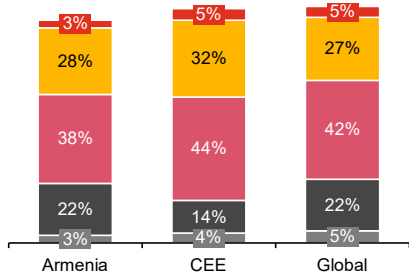
- To a very large extent
- To a large extent
- To a moderate extent
- To a limited extent
- Not at all

## Transition to new energy sources

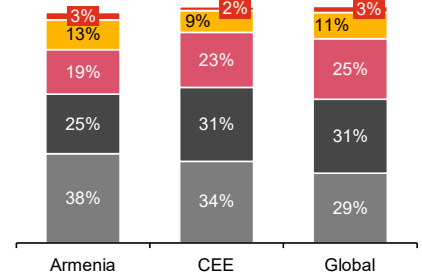


# How exposed, if at all, your company will be to the following threats in the next 12 months?

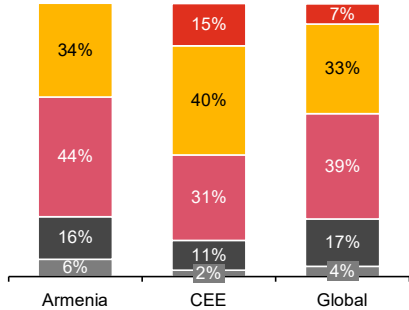
## Macroeconomic volatility



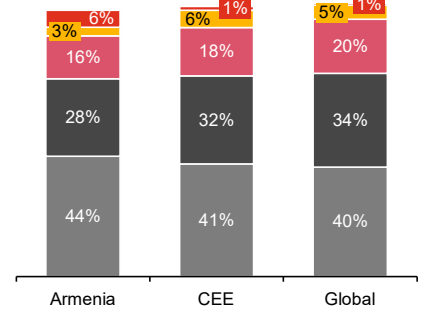
## Climate change



## Inflation



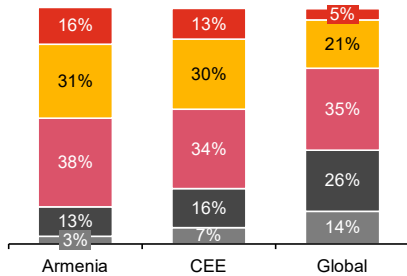
## Social inequality



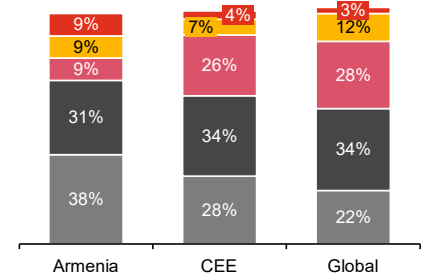
- Extremely exposed
- Highly exposed
- Moderately exposed
- Slightly exposed
- Minimally exposed

# How exposed, if at all, your company will be to the following threats in the next 12 months?

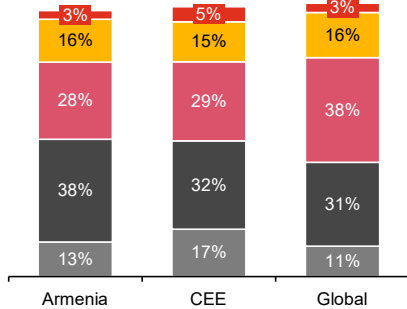
## Geopolitical conflict



## Health risks



## Cyber risks



- Extremely exposed
- Highly exposed
- Moderately exposed
- Slightly exposed
- Minimally exposed



# For additional questions or clarifications, please reach out to the CEO Survey team in Armenia



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# Thank you

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