



News release

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Three quarters of CEOs predict a return to growth in 2021 – *PwC's 24th Global CEO Survey*

- **Cyber risk seen as top threat to growth in Caribbean region**
- **Worries about tax policies and misinformation on the rise; climate change still not being approached with urgency**

11 March 2021 – One year after COVID-19 was declared a pandemic, CEOs are voicing record levels of optimism in the global economic recovery, with 76% of business leaders predicting that economic growth will improve in 2021. The number is lower for [Caribbean region CEOs](#), with 69% saying they believe global economic growth will improve.

[PwC's 24th Annual Global CEO Survey](#) polled 5,050 CEOs in 100 countries and territories over January and February 2021. The percentage of CEOs expressing confidence in growth is up from 22% in 2020 and 42% in 2019, representing the highest level of optimism since the survey started asking this question in 2012.

Arthur Wightman, PwC Bermuda leader, comments: “After a period of human tragedy and profound disruption, it’s encouraging to see that CEO confidence is up, boosted by the rollout of vaccines in many parts of the world, including here in Bermuda.

“The details of that recovery aren't yet clear. However, it's certain that we will not return to the way things were. CEOs will need to develop a different mind-set and consider and take action on a far broader range of issues – that will affect company value over time, setting a course that builds trust and delivers sustained outcomes.

“This includes the heightened focus on sustainability, social inclusion and other environmental, social and governance opportunities. It’s vital that businesses meet these expectations if they are to build and sustain consumer trust. The organizations that rise to these challenges will emerge stronger, more resilient and able to steer successfully through this period of momentous change.”

Top threats: Pandemics/health, cyber risk, tax policies and misinformation

Not surprisingly, pandemics and health crises¹ top the list of threats to growth prospects, overtaking the fear of over-regulation, which has been the perennial number one concern for CEOs globally since 2014.

Cyber has fast become a major source of anxiety. Rising digitisation is increasing the risks posed by cyber threats. This, coupled with the significant increase in cybersecurity incidents in 2020

¹ New risk category this year: was last included in the survey in 2015

including ransomware attacks, has resulted in cyber threats leaping up the list to become the number two concern, cited by 47% of CEOs globally compared to 33% in 2020. **Among Caribbean CEOs, however, cyber threats are the number one concern, cited by 67%, followed by pandemics and health crises, cited by 61%.**

Also rising rapidly up the list of CEO concerns is the spread of misinformation (28%, up from 16% in 2020), which has had an impact on elections, reputation, and public health – further contributing to a decline in trust across society.

In 2020, tax policy uncertainty ranked outside the top ten concerns for CEOs, with only 19% of CEOs concerned. This year, it has increased rapidly in importance, leaping up to seventh place (31% globally), with CEOs undoubtedly watching government debts accumulate and realising that business taxes will likely need to rise.

60% of Global CEOs and 57% of Caribbean region CEOs believe their organisations' tax obligations will increase as governments address rising debt. And some 82% of Caribbean CEOs compared to 65% of Global CEOs believe this will lead them to reconsider cost structure.

Survey highlights:

CEO confidence in revenue growth rebounds to the long-term average

CEOs are more optimistic about the outlook for their businesses. Some 36% of those polled said they are “very confident” about their organisation’s prospects for revenue growth over the next 12 months, up from 27% of CEOs in 2020.

While global confidence is up, there is wide variation across industries, reflecting the varying degrees to which consumer behaviour has been impacted by the pandemic. CEOs in the technology and telecommunications sectors show the highest levels of confidence at 45% and 43%, respectively. Meanwhile, CEOs in the transportation and logistics (29%) and hospitality and leisure (27%) sectors are among the least confident about their ability to grow revenues over the next 12 months.

Digital investments for the future

Asked about their spending on digital transformation, nearly half of CEOs (49%) project increases of 10% or more. Despite the rising level of concern CEOs are voicing about cyberattacks, this has not translated into definitive actions. Less than half of the CEOs planning for heightened digital investment are also planning to boost their spending on cybersecurity and data privacy by 10% or more.

At the same time, a growing number of CEOs – 36% globally compared to 55% in the Caribbean region – plan to use automation and technology to make their workforce more competitive, more than double the share of CEOs who said the same in 2016.

US extends its lead over China as the top destination for growth

The survey findings show that the US has extended its lead as the number one market that CEOs are looking to for growth over the next 12 months at 35%, seven percentage points ahead of China at 28%. In 2020, the US was only one percentage point ahead of China. As expected, the US is the top destination for growth for Caribbean CEOs (53%).

New political developments and existing tensions have had an impact on the views of US CEOs. They are reducing their emphasis on China as a growth driver and increasing their focus on Canada and Mexico; compared to 2020, US CEOs’ interest in the latter two countries rose by 78%. Meanwhile, China CEOs report growing interest in large economies such as the US, Germany and Japan — prime destinations for exports.

In the year of COP26, climate change is not being approached with urgency

The percentage of CEOs expressing significant concerns about climate change has risen from 24% in 2020 to 30% in 2021. For Caribbean CEOs, the figure is lower at 24%. This represents only a

marginal increase in the context of COP26, which is being held this year in Glasgow, UK. The finding also comes in the context of rising anxiety about nearly all types of threats.

Climate change still only ranks ninth among CEOs' perceived threats to growth. Furthermore, another 27% of CEOs report being "not concerned at all" or "not very concerned" about climate change. This may be because climate change is not seen as an immediate threat to growth compared to other issues such as the pandemic, over-regulation and cyber threats.

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Notes:

Download the Global and Caribbean reports at www.pwc.com/bm and ceosurvey.pwc

PwC surveyed 5,050 CEOs in 100 countries and territories in January and February 2021. This is up from 3,501 respondents in last year's survey. The global and regional figures in this report are based on a sub-sample of 1,779 CEOs, proportionate to country nominal GDP to ensure that CEOs' views are representative across all major regions. The Caribbean region edition includes CEOs in The Bahamas, Barbados, Bermuda, Jamaica and Trinidad and Tobago.

Of the 1,779 CEOs whose responses were used for the global and regional figures:

- 6% of their organisations had revenues of US\$25bn or more
- 9% of their organisations had revenues between US\$10bn and US\$25bn.
- 35% of their organisations had revenues between US\$1bn and US\$10bn.
- 34% of their organisations had revenues between US\$100m and US\$1bn.
- 14% of their organisations had revenues of up to US\$100m.
- 60% of their organisations were privately owned.

We also conducted in-depth, face-to-face interviews with CEOs from six regions. Some of these interviews are quoted in this report, and more extensive transcripts can be found on here: <https://www.strategy-business.com/inside-the-mind-of-the-ceo>.

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