

Caribbean CEO Survey insights

A leadership agenda to take on tomorrow



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Key findings

Unprecedented optimism about the global economy

One year after the WHO declared COVID-19 a pandemic, 69% of Caribbean CEOs believe global economic growth will improve in 2021. Their positive outlook reflects recent economic events as well as the momentum around vaccine development and rollout in parts of the world.

Rebounding confidence, shifting growth

CEOs' optimism extends to their own company's performance. In the Caribbean, 78% say they are either somewhat confident or very confident about their organisation's prospects for revenue growth over the next year. Even more positive, 88% are confident looking ahead three years.

Lingering anxiety

Despite their confidence in economic improvement, Caribbean CEOs, like CEOs globally, are acutely aware of threats in the external environment, starting with the obvious: pandemics and other health crises (61%) placing it just behind cyber threats on the list of threats Caribbean CEOs worry about.

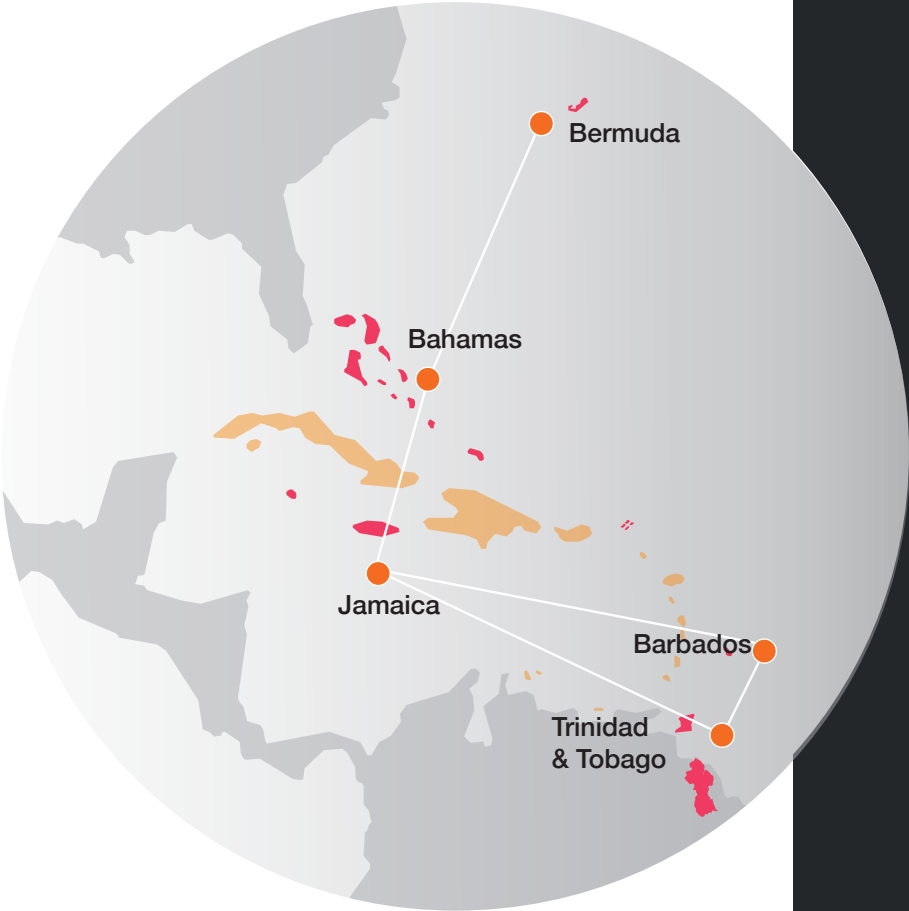
Cybersecurity, misinformation, and the digital effect

Cyber threats are the top concern for 67% of Caribbean CEOs, likely in response to a rise in cyberattacks over the past year. Also rising rapidly on the list of CEO concerns is the spread of misinformation (78%). This coincides with the acceleration of companies' digital transformations during the pandemic. Over half of CEOs plan to increase their investments in digital transformation by 10% or more, with no plans to slow down.

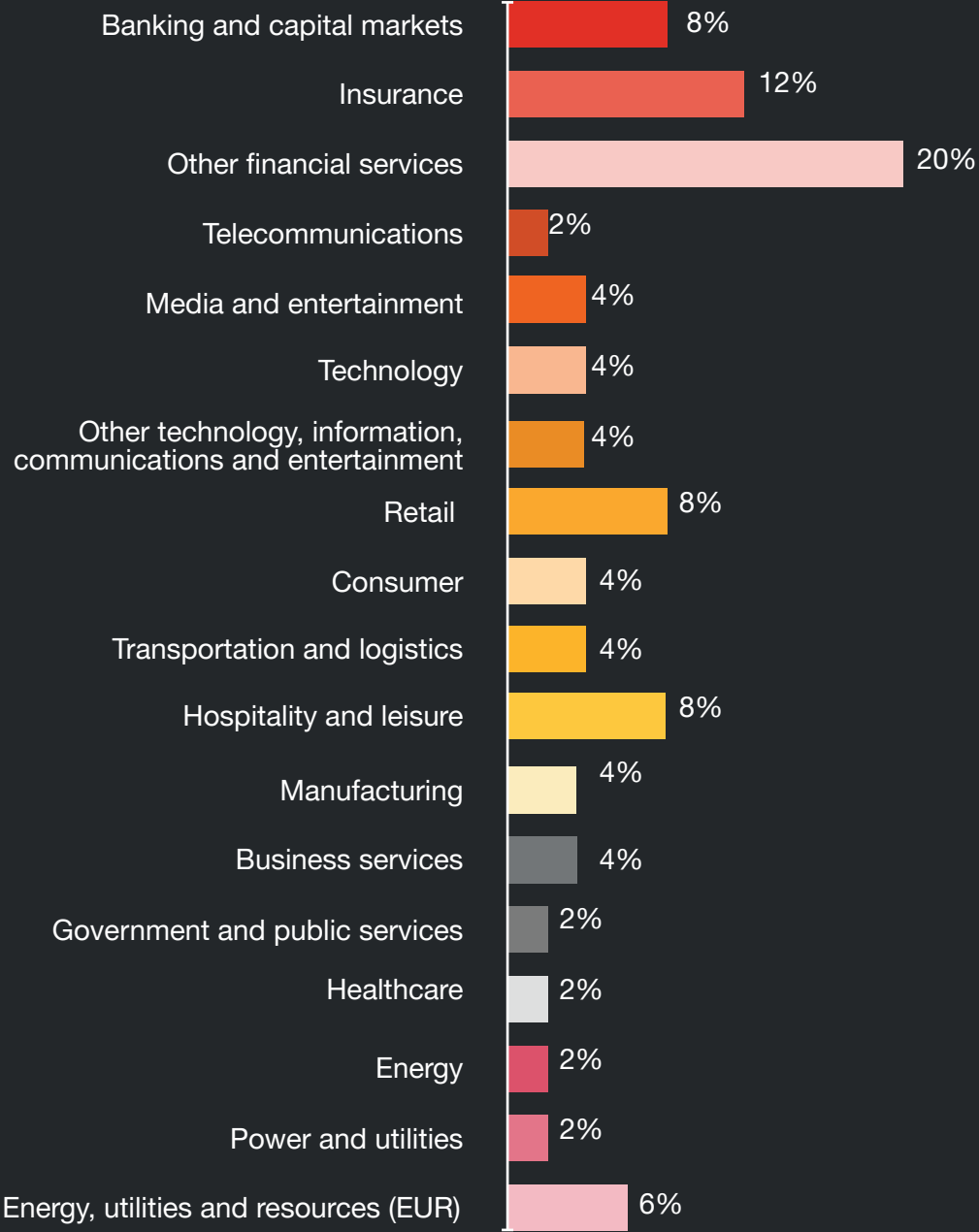
The climate change challenge

One third (31%) of Caribbean CEOs have factored climate change into their strategic risk management activities - 37% globally. Some of these CEOs are located in countries with high natural hazard exposure so we might expect this figure to be higher and businesses to be better prepared for climate change risk. In contrast, 82% of CEOs in the Caribbean selected climate change as a concern, 59% of them are somewhat concerned and just 24% extremely concerned.

Who participated?



Industry breakdown

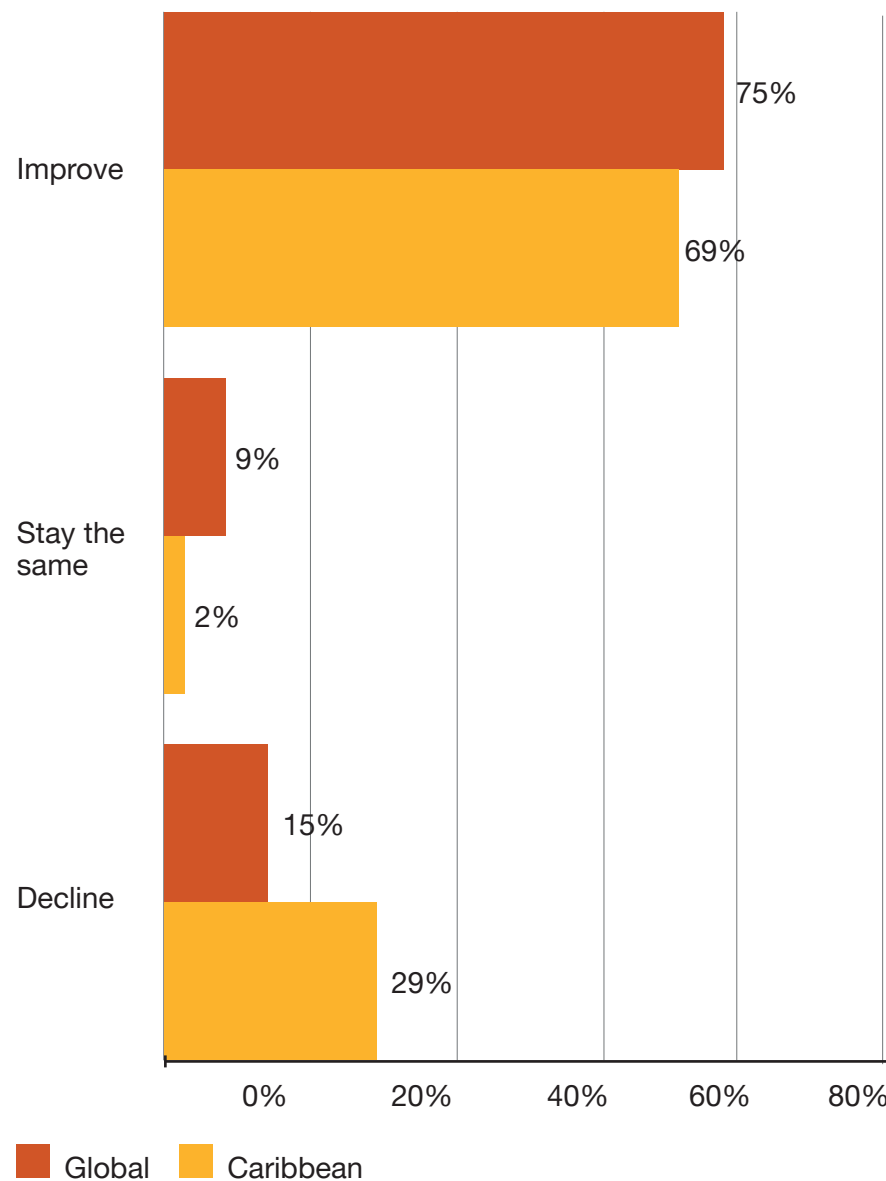


69% of CEOs in the Caribbean believe there will be an improved outlook of the global economy in the next 12 months, in-line with the global figure of 75%. With momentum around vaccine development and rollout in many parts of the Caribbean and the rest of the world, CEOs see a clearer path forward.

69%

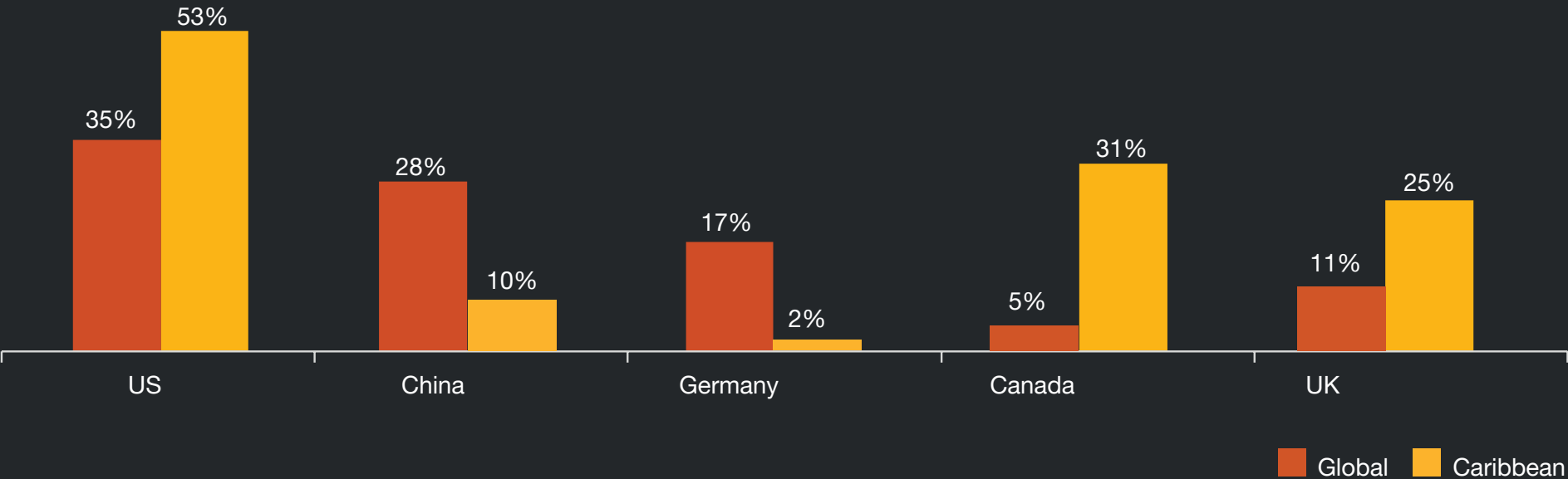
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Question: Do you believe global economic growth will improve, stay the same or decline over the next 12 months?



Despite the pandemic, the Caribbean’s longstanding business relationship with leading developed countries has remained strong. This looks set to continue over the next 12 months with 53% of Caribbean CEOs saying that the US is the most important for their growth prospects followed by our two other key markets, Canada and the UK.

Question: Which three countries/ territories, excluding the country/ territory in which you are based, do you consider most important for your organisation’s overall growth prospects over the next 12 months?



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Governments seeking to mitigate the impact of the pandemic both on the domestic economy and on individuals have taken on substantial debt. Tax policy uncertainty ranked #10 on the list of threats (#7 globally). CEOs are undoubtedly watching debts accumulate as governments intervene with stimulus packages, and realise that business will eventually need to pay its fair share. Cross-border competition seems likely, as governments develop tax schemes to benefit their national interest — creating significant complexity for multinationals with global operations.

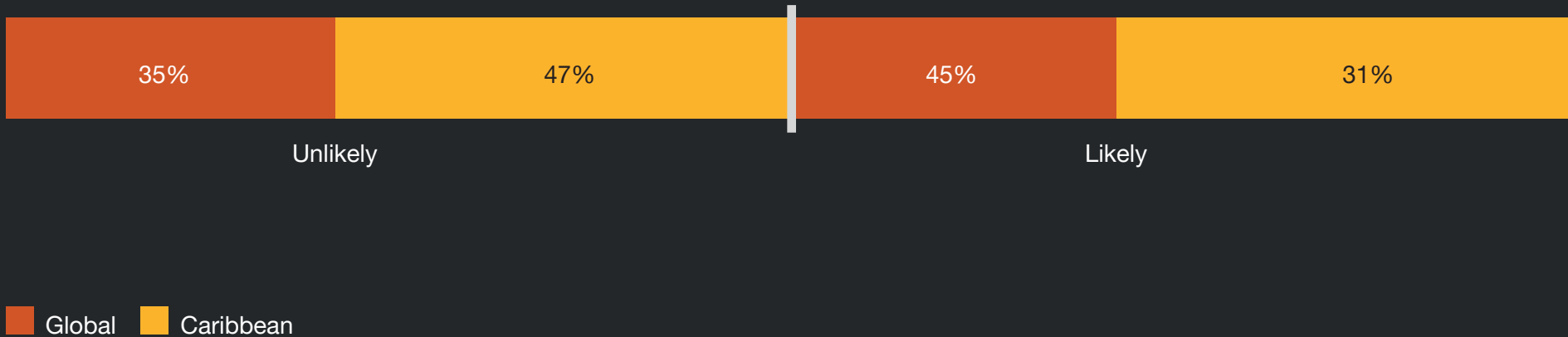
Question: How strongly do you agree or disagree that ‘Tax policy changes to address rising government debt levels in the country/territory in which you are based will impact my organisation’s decision-making and planning’?



Global Caribbean

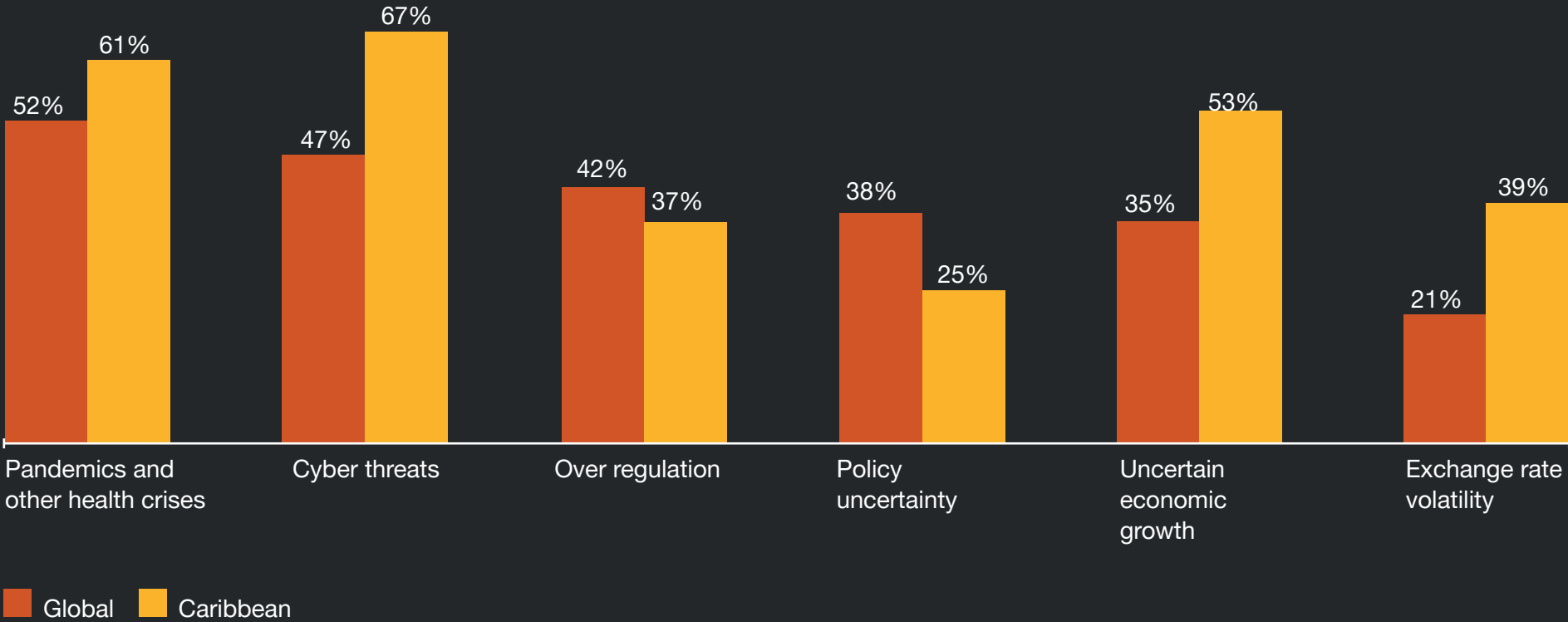
It's clear there is work to be done across the Caribbean to reinforce government focus on the environment. Almost half of our CEOs believe that their government won't balance short-term economic needs with long-term environmental goals in recovery plans.

Question: How likely is it that the government's recovery plan of the country/territory in which you are based will effectively balance short-term economic needs with long-term environmental goals?



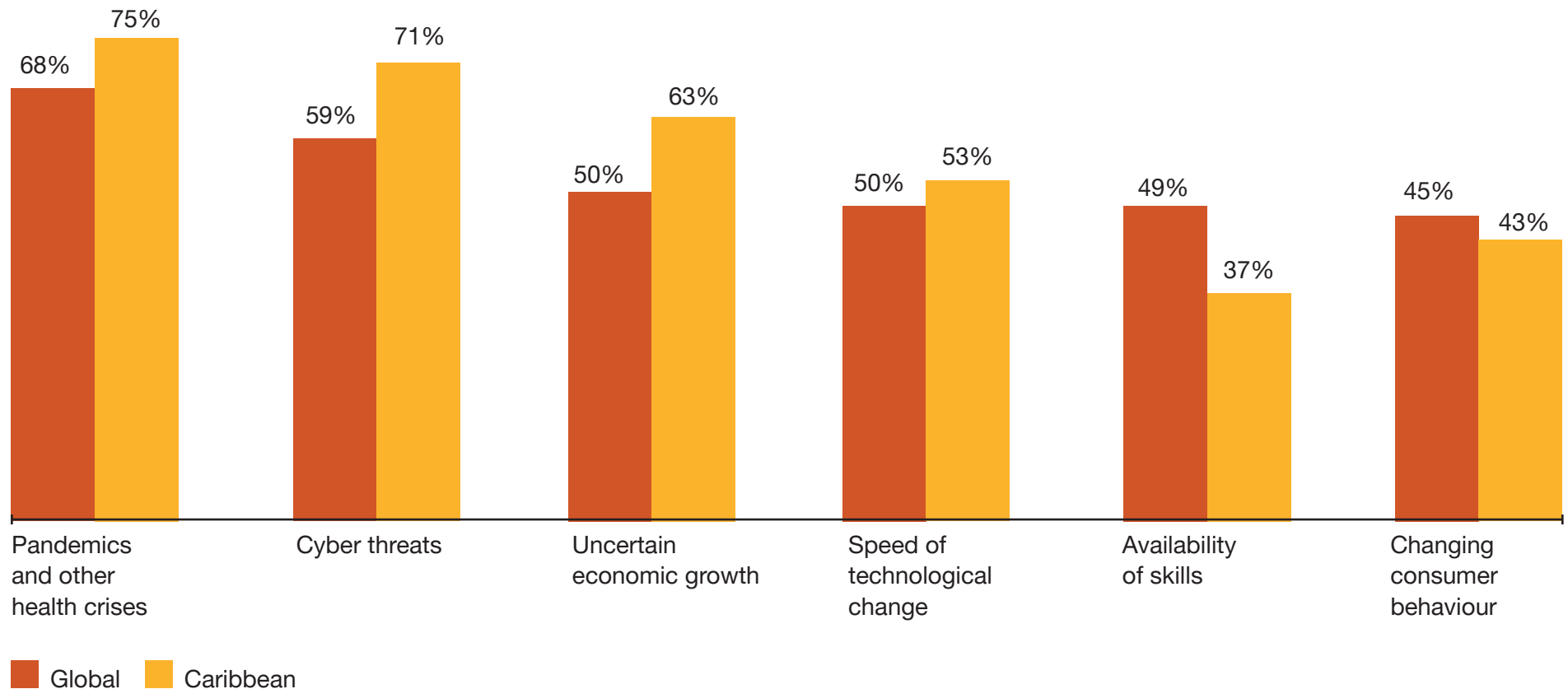
Cyber threats are the top concern for CEOs in the Caribbean with pandemics and other health crises just behind. This is not surprising given the rise of high profile cyber attacks over the past year. Equally predictably is that exchange rate volatility ranked #4 for the Caribbean compared with #21 globally.

Question: How concerned are you, if at all, about each of these potential economic, policy, social, environmental and business threats to your organisation's growth prospects? (Showing only 'extremely concerned' responses)



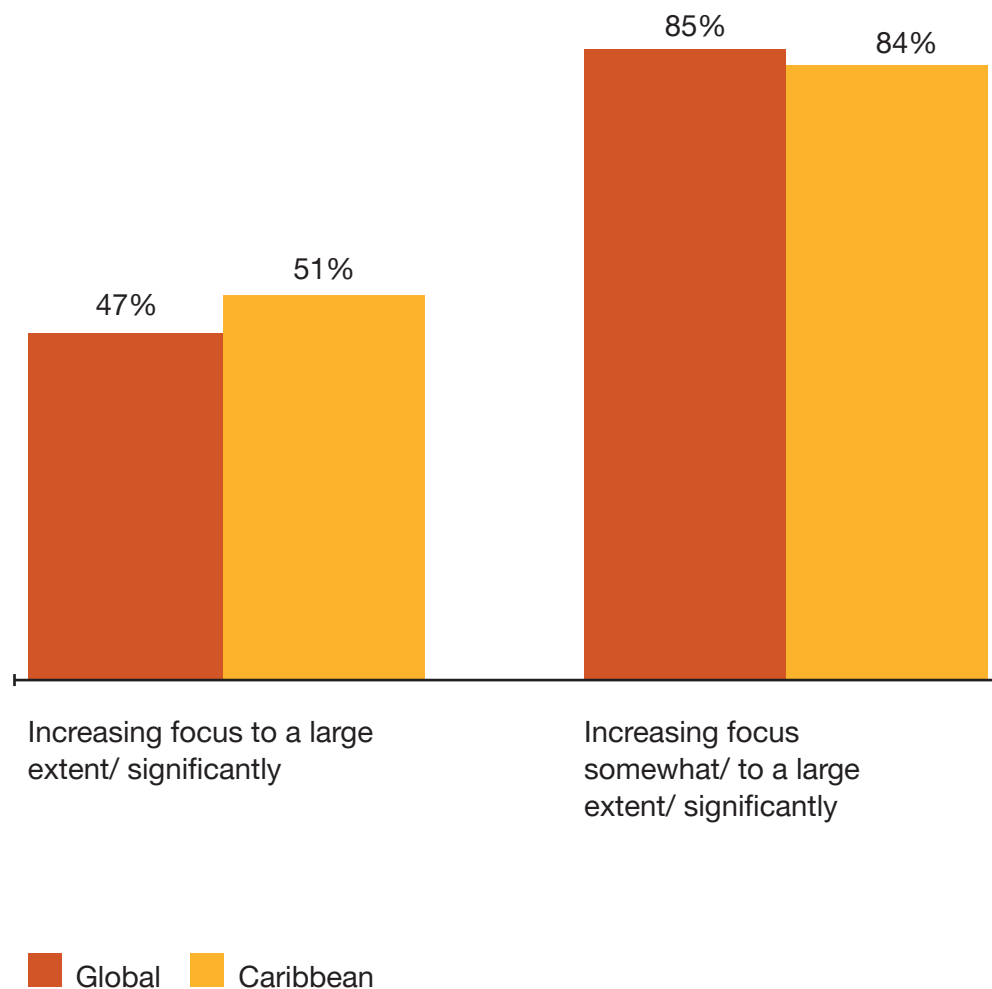
Aligned with Caribbean CEOs top concerns, both pandemics and health crisis (75%), and cyber threats (71%), are high on the list of priorities factored into strategic risk management activities. The other top priorities are largely a result of the pandemic and the shift in what businesses have to rethink. Upskilling or reskilling the workforce while keeping up with the speed of technological change are key to addressing the accelerating digital trends that have already been transforming consumer behaviour.

Question: Which of the following, if any, are explicitly factored into your strategic risk management activities?



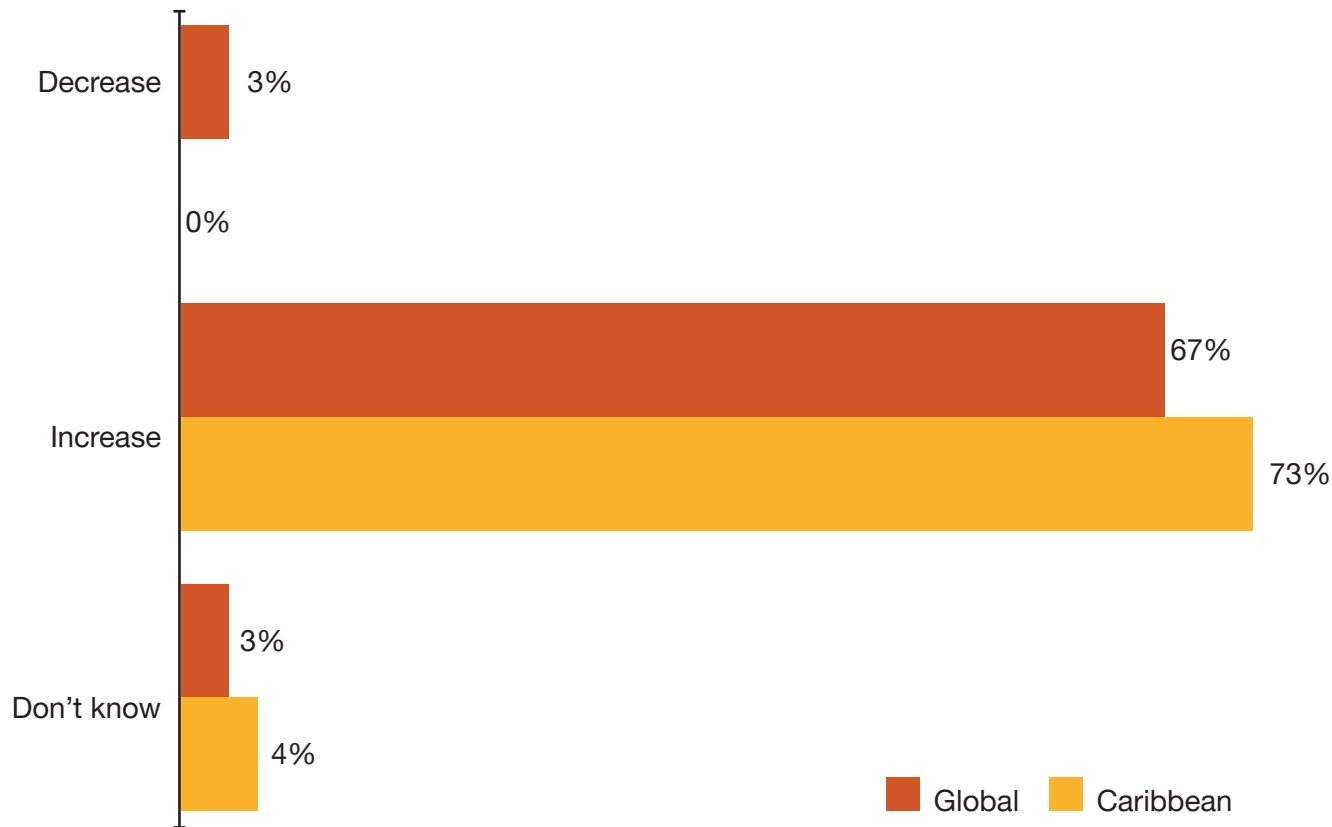
Almost all Caribbean CEOs (84%) are digitising their risk management function. Workforce strategy is a key component to this and likely why 55% are changing their focus on productivity through automation and technology. In addition, 31% are changing their focus on skills and adaptability in their people. Automation looks to be incorporated at a number of levels.

Question: With respect to your organisation's approach to risk management, to what extent are you increasing your focus in digitising your organisation's risk management function as a result of the COVID-19 crisis?



Commentary: With almost two thirds of CEOs in the Caribbean investing in leadership and talent, the future of workforce is clearly important. 29% believe they will increase investment significantly by more than 10%. Some of this investment is likely in digital upskilling as part of wider digital transformation.

Question: How do you plan to change your long-term investments in **leadership and talent** over the next three years, as a result of the COVID-19 crisis?



29%

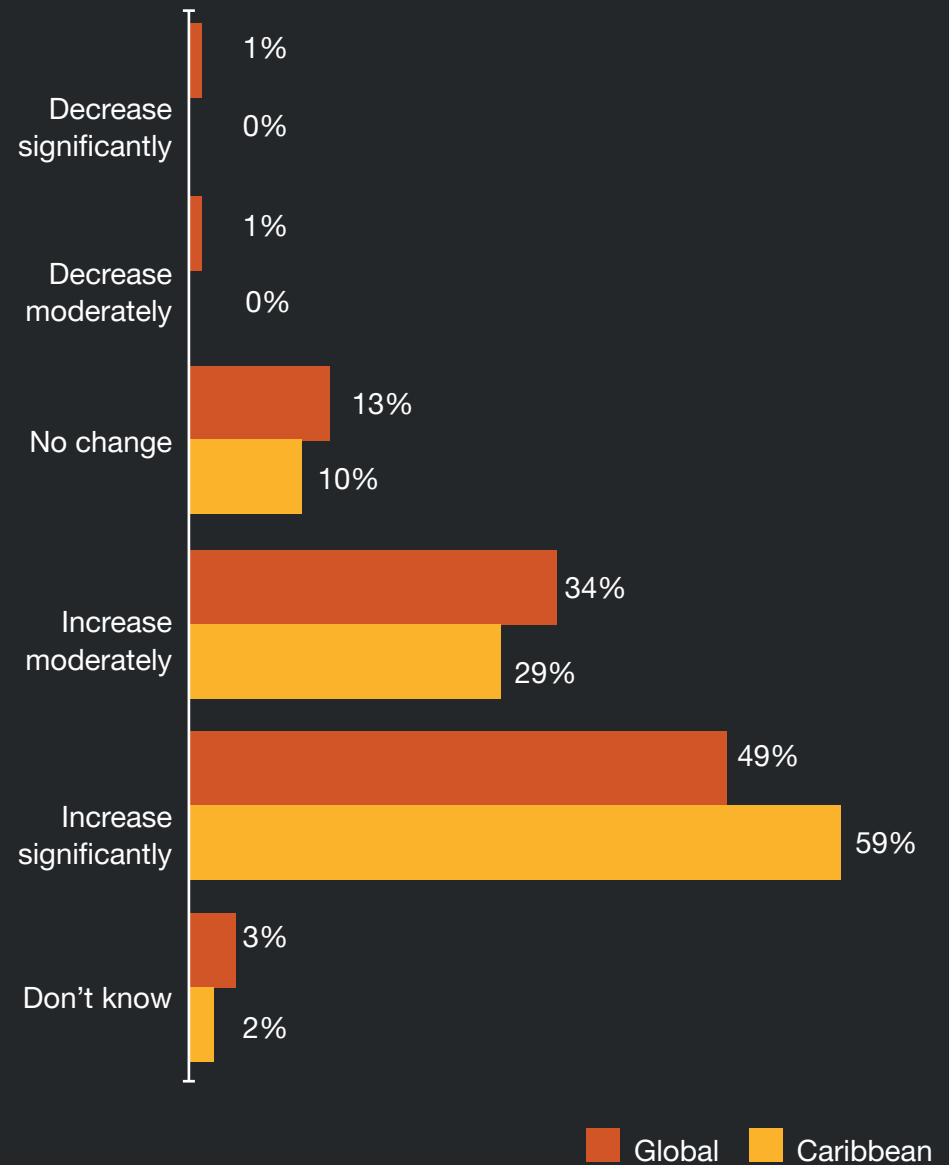
believe they will increase investment significantly by more than 10%.

An overwhelming majority of CEOs in the Caribbean are planning on investing in digital transformation in the next three years. 59% of these CEOs project double digit increases of 10% or more. With pandemics and other health crises (61%) creating an era of working from home, and therefore the need for boosting workforce productivity, this is expected. Accelerating digital transformation is critical for businesses.

59%

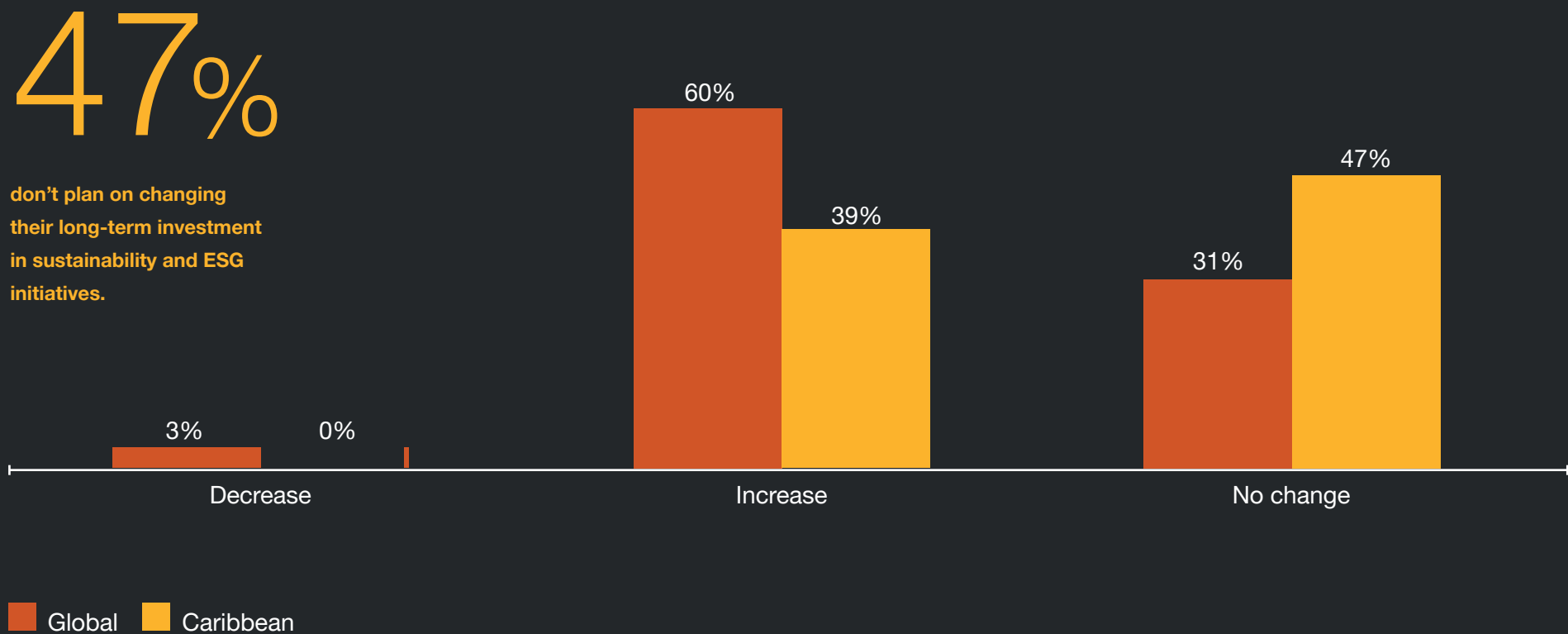
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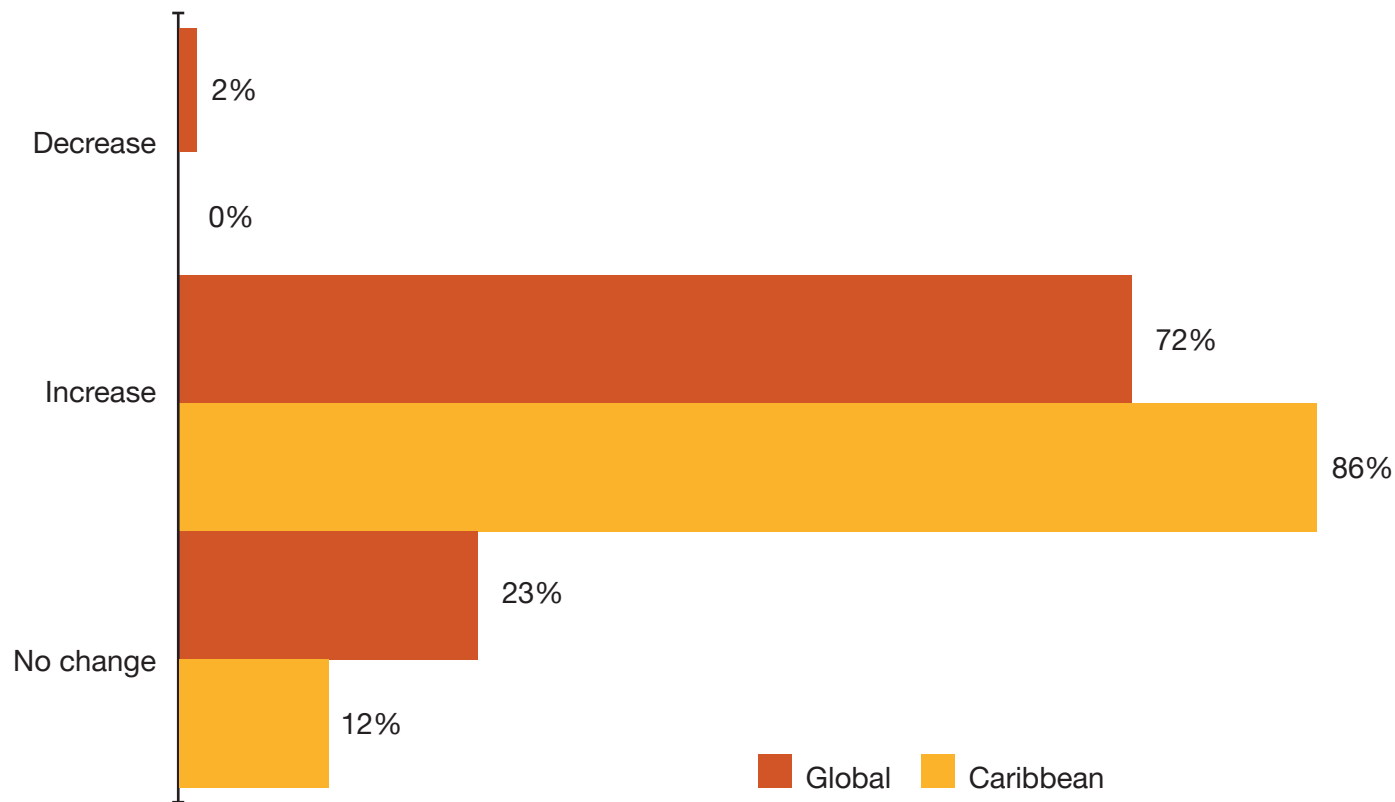
Given the global accelerated urgency of the role of business in helping to tackle climate change, it's surprising that almost 50% of CEOs in the Caribbean (47%) don't plan on changing their long-term investment in sustainability and ESG initiatives. In contrast, almost one quarter believe their business should be doing more to measure (24%) and report (22%) on environmental impact.

Question: How do you plan to change your long-term investments in **sustainability and ESG** initiatives over the next three years, as a result of the COVID-19 crisis?



With cyber threats as the number one concern for CEOs in the Caribbean it's little wonder almost all CEOs in the Caribbean are making heavy investments into cybersecurity and data privacy.

Question: How do you plan to change your long-term investments in **cybersecurity and data privacy** over the next three years, as a result of the COVID-19 crisis?



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Survey: www.pwc.com/cb

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