

# New Zealand

## New Zealand-based CEOs

No of responses: 117 | 85% male, | 14% female

**77%** CEO of a single or multi-entity parent company

**10%** CEO of a country subsidiary within a multi-entity parent company

**8%** CEO of a product-oriented subsidiary within a multi-entity company

## The reinvention imperative

### An enduring imperative to reinvent

48% of New Zealand-based CEOs believe the global economy will improve over the next 12 months, higher than the Asia Pacific average (40%).

New Zealand-based CEOs still consider Australia, the US and China as critical for their growth prospects in 2024. However, their sentiment on the US and China's relative attractiveness has declined.

### Territories that are most important for their company's prospects for revenue

	2023	2024
Australia	75%	80%
US	61%	59%
China	40%	35%
UK	30%	26%
India	3%	7%
Japan	5%	7%
Singapore	7%	7%

Note: This question only takes into account companies that operate internationally

23% believe their companies will not be economically viable in the next decade, if they continue on their current path. This is a slight decline compared to 2023 (27%), significantly lower than the Asia Pacific average (63%) and lower than the global average (45%).

	New Zealand 2023	New Zealand 2024	Asia Pacific 2024
10 years or less	27%	23%	63%
More than 10 years	72%	75%	34%

95% of New Zealand-based CEOs surveyed have taken at least some steps to change how they create, deliver, and capture value over the past five years.

Over that timeframe, 70% took at least one action that had a large or very large impact on their company's business model.

## Pressures and threats

In the next 12 months, New Zealand-based CEOs identify two of the same key threats as in 2023, but feel less exposed.

Cyber risk has replaced geopolitical conflict in the top three this year. With major conflicts in two global regions, the significant decrease in threat from the latter (23% 2023 / 12% 2024) stands out.

Threat	New Zealand 2023	New Zealand 2024
Macroeconomic volatility	26%	21%
Inflation	38%	21%
Cyber risk	18%	15%
Geopolitical conflict	23%	12%
Climate change	8%	9%
Health risk	13%	3%
Social inequality	2%	3%

Note: Only showing 'Highly and extremely exposed'

Apart from the regulatory environment, New Zealand-based CEOs identify the barriers for reinvention different from Asia Pacific CEOs on average. Top three barriers (at least to a moderate extent):

No.	New Zealand	Asia Pacific
1	Regulatory environment (58%)	Regulatory environment (66%)
2	Competing operational priorities (57%)	Lack of workforce skills (60%)
3	Limited financial resources (45%)	Supply chain instability (57%)

# Looming existential change

## Climate change a work in progress

- New Zealand-based CEOs have undertaken some actions to mitigate climate change. Most progress has been made in
  - Decarbonisation: 74% are either in progress or have completed improving energy efficiency and 68% are in progress or have completed innovating new, climate-friendly products, services or technologies.
  - Climate adaption: 62% are either in progress or have completed selling products, services or technologies that support customers' climate-resilience efforts.
- However, many don't plan to pursue other types of action related to climate adaptation, just transition and nature. For instance:
  - 44% don't plan on investing in nature-based solutions.
  - 36% don't plan on implementing initiatives to upskill or reskill their workforce to prepare them for climate-driven changes to their business models.
- New Zealand-based CEOs cite the barriers to decarbonisation (at least to a moderate extent):
  - Lack of climate-friendly technologies for my sector (50% vs. 59% in Asia Pacific)
  - Regulatory complexity (46% vs. 63% in Asia Pacific)
  - Lack of demand from external stakeholders (45% vs. 51% in Asia Pacific)

- When evaluating climate-friendly investments, 41% New Zealand-based CEOs have accepted rates of return that were lower than for other investments (vs. 51% in Asia Pacific).
  - 75% were willing to accept under 6% lower rate of return for climate-friendly investments compared to other investments (vs. 85% in Asia Pacific).

## The Generative Artificial Intelligence (GenAI) opportunity and challenge

- At least 38% of New Zealand-based CEOs anticipate impacts within three years – including the workforce (vs. at least 57% in Asia Pacific).
- 61% agree GenAI will require most of their workforce to learn new skills in the next three years (vs. 76% in Asia Pacific).
- However, 49% report that they have not yet adopted GenAI across their companies (vs. 41% in Asia Pacific).
- At least 64% believe GenAI will increase efficiency for both themselves and their employees (vs. at least 65% in Asia Pacific).
- At least 32% believe GenAI will help increase revenue and profitability (vs. 49% in Asia Pacific).
- 28% predict a reduction in headcount due to GenAI (vs. 26% in Asia Pacific).
- There is substantial difference in opinion on the impact that GenAI will have in increasing cybersecurity risk between New Zealand and Asia Pacific (74% vs. 49% in Asia Pacific) and spreading misinformation (62% vs. 44% in Asia Pacific). The variance with Asia Pacific on the above two aspects could be influencing the current level of adoption of AI in New Zealand.

## Additional data on surveyed companies

### Ownership

77% privately-owned company

23% public company

### Revenue

56% Less than US\$100 million

32% US\$100 million - Less than \$1 billion

7% US\$1 billion - Less than \$10 billion

### Employees

68% fewer than 500

13% 500–999

15% 1,000–4,999

2% 5,000–9,999

1% 10,000–24,999

1% 50,000 or more

### Industry

16% financial services

13% technology, media and telecommunications

30% consumer markets

32% industrial, manufacturing and automotive

5% health industries (including pharma)

4% energy, utilities and resources

Note: Throughout this snapshot, not all figures will add up to 100% as a result of rounding percentages and the decision in certain cases to exclude the display of 'neither/nor', 'other', 'none of the above', 'don't know' and 'prefer not to say' responses.



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