

South Korea

South Korea-based CEOs

No of responses: 76 | 97% male, | 1% female

57% CEO of a single or multi-entity parent company

11% CEO of a country subsidiary within a multi-entity parent company

16% CEO of a product-oriented subsidiary within a multi-entity company

The reinvention imperative

An enduring imperative to reinvent

25% of South Korea-based CEOs believe the global economy will improve over the next 12 months, lower than the Asia Pacific average (40%).

South Korea-based CEOs consider the US, China and Japan as critical for their growth prospects in 2024.

Territories that are most important for their company's prospects for revenue 2024

	2024
US	78%
China	75%
Japan	32%
India	18%
Vietnam	18%
Indonesia	9%
Australia	8%

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

75% believe their companies will not be economically viable in the next decade, if they continue on their current path. This is lower than last year's figure (80%) but higher than the Asia Pacific average.

	South Korea 2023	South Korea 2024	Asia Pacific 2024
10 years or less	80%	75%	63%
More than 10 years	20%	21%	34%

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

Over that timeframe, 80% 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, South Korea-based CEOs identify the same key threats as 2023, but feel less exposed.

Threat	South Korea 2023	South Korea 2024
Macroeconomic volatility	43%	33%
Inflation	43%	25%
Geopolitical conflict	20%	20%
Climate change	27%	12%
Health risk	20%	9%
Cyber risk	3%	5%
Social inequality	0%	3%

Note: Only showing 'Highly and extremely exposed'

South Korea-based CEOs have a conservative outlook for the economy in 2024, but their overall risk awareness has improved compared to last year. Concerns about macroeconomic volatility and inflation have decreased, but concerns about cyber risks have increased due to the popularity of artificial intelligence.

On average, South Korea-based CEOs identified slightly different barriers to reinvention when compared to their Asia Pacific counterparts. Top three barriers (at least to a moderate extent) for them are:

No.	South Korea	Asia Pacific
1	Regulatory environment (74%)	Regulatory environment (66%)
2	Lack of workforce skills (70%)	Lack of workforce skills (60%)
3	Lack of technological capabilities in my company (70%)	Supply chain instability (57%)

Looming existential change

Climate change a work in progress

- South Korea-based CEOs have undertaken some actions to mitigate climate change.
- Most progress has been made in decarbonisation with: 68% improving energy efficiency, and 57% innovating new, climate-friendly products, services or technologies.
- However, across a list of five climate actions, one fifth to a half of CEOs don't plan to pursue any types of action.
- South Korea-based CEOs cite the barriers to decarbonisation (at least to a moderate extent):
 - Regulatory complexity (67% vs. 63% in Asia Pacific)
 - Lower returns for climate-friendly investments (66% vs. 61% in Asia Pacific)
 - Lack of climate-friendly technologies for their sector (65% vs. 59% in Asia Pacific)
- When evaluating climate-friendly investments, 43% have accepted rates of return that were lower than for other investments (vs. 51% in Asia Pacific).
 - 84% 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 50% of South Korea-based anticipate impacts within three years – including impacts to the workforce (vs. at least 57% in Asia Pacific).
- 63% agree GenAI will require most of their workforce to learn new skills in the next three years (vs. 76% in Asia Pacific).
- However, 58% report that they have not adopted GenAI across their companies (vs. 41% in Asia Pacific). Many South Korea-based companies (mostly small-and-medium enterprises) feel like they lack IT specialists/professionals to reap the full benefits of GenAI.
- At least 62% believe GenAI will increase efficiency for both themselves and their employees (vs. at least 65% in Asia Pacific).
- 41% believe GenAI will help increase revenue and profitability (vs. 49% in Asia Pacific).
- 20% predict a reduction in headcount due to GenAI (vs. 26% in Asia Pacific).
- They agree that GenAI will increase cybersecurity risk (72% vs. 49% in Asia Pacific) and spread misinformation (67% vs. 44% in Asia Pacific).

Additional data on surveyed companies

Ownership

33% privately-owned company

67% public company

Revenue

25% Less than US\$100 million

22% US\$100 million - Less than \$1 billion

26% US\$1 billion - Less than \$10 billion

11% US\$10 billion - Less than \$25 billion

9% US\$25 billion or more

Employees

37% fewer than 500

17% 500–999

25% 1,000–4,999

7% 5,000–9,999

4% 10,000–24,999

7% 25,000–49,999

3% 50,000 or more

Industry

20% financial services

9% technology, media and telecommunications

17% consumer markets

34% industrial, manufacturing and automotive

4% health industries (including pharma)

16% 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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