



4. PwC's Hungarian CEO Survey 2015

What do CEOs expect from the global and the Hungarian economies?

Growth



Adaptation

What should companies and employees be like in the post-crisis period?



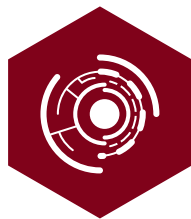
Partnership

With whom should CEOs cooperate to increase competitiveness?



Technology

How is technology incorporated into a company's strategy?



Threats

What factors might threaten growth?



Competition

How will the balance of power change?



170 CEOs

from **7** industries
in Hungary

Our cooperating partners:



1322 CEOs
worldwide



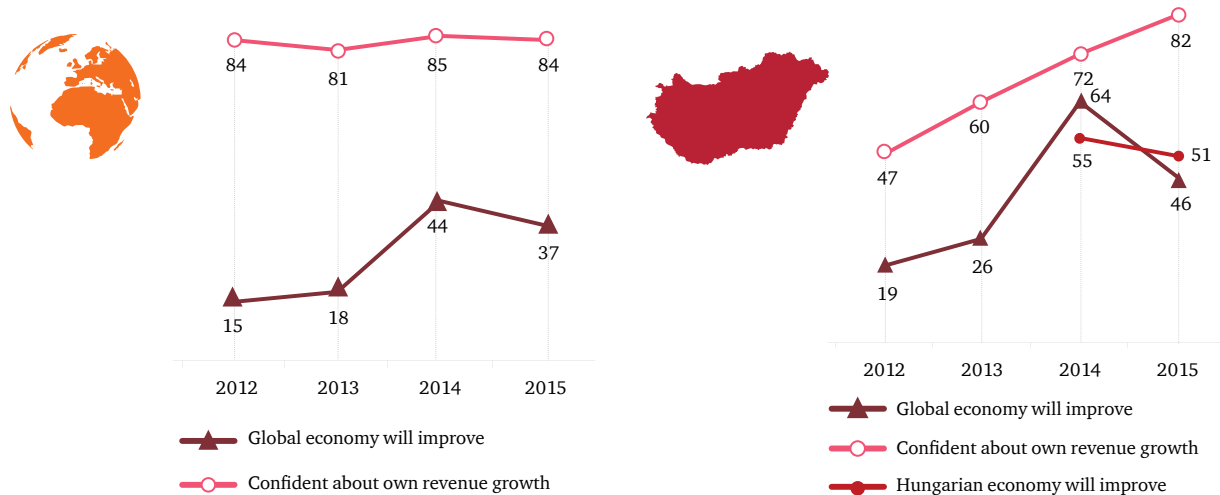


Growth

Cautious optimism and belief in their own development

CEOs are less confident about the growth potential of the global and Hungarian economies, but remain optimistic about their own revenue prospects

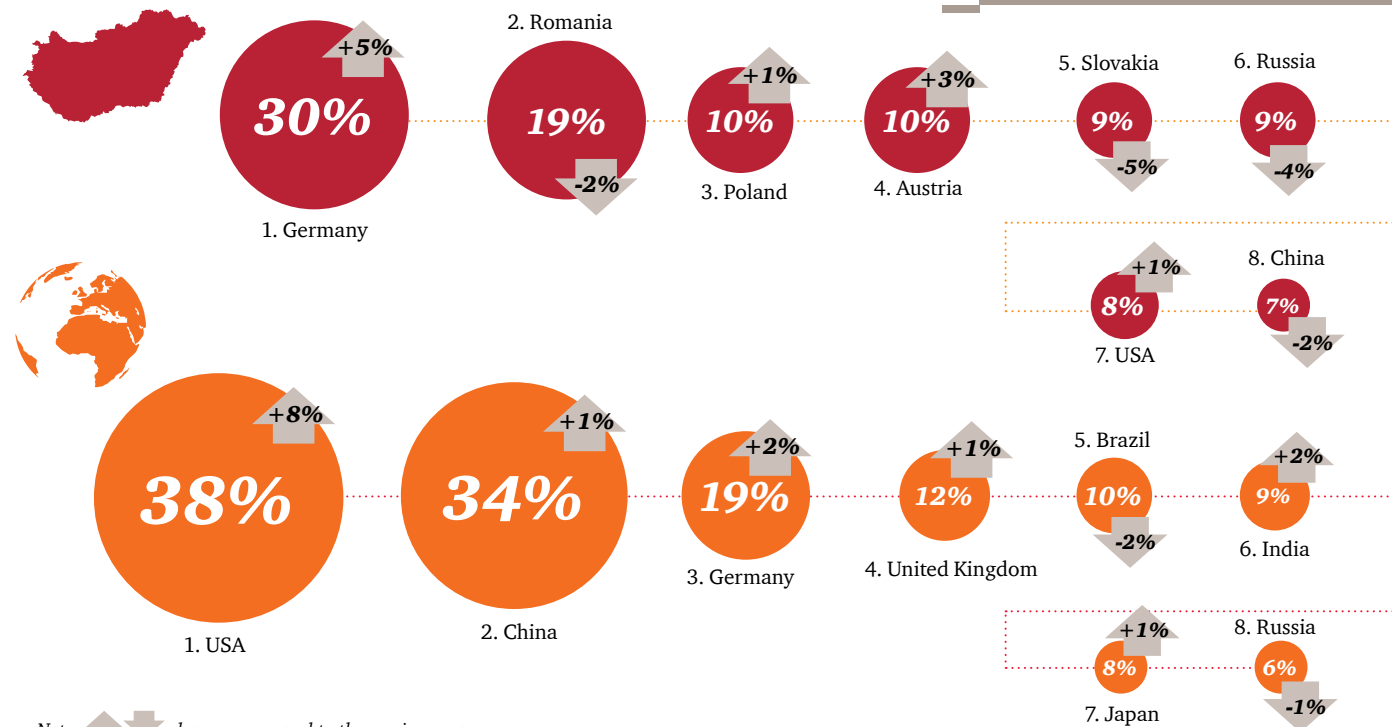
Percentage of respondents who are confident about global and Hungarian economic growth and own revenue prospects over the next 12 months



Hungarian CEOs will continue to focus on Germany as their most important market

The direction of market growth will turn toward mature markets

Question:
With regard to your company's growth prospects, which countries do you think will be the most important in the next year?



Note: ↑ ↓ changes compared to the previous year

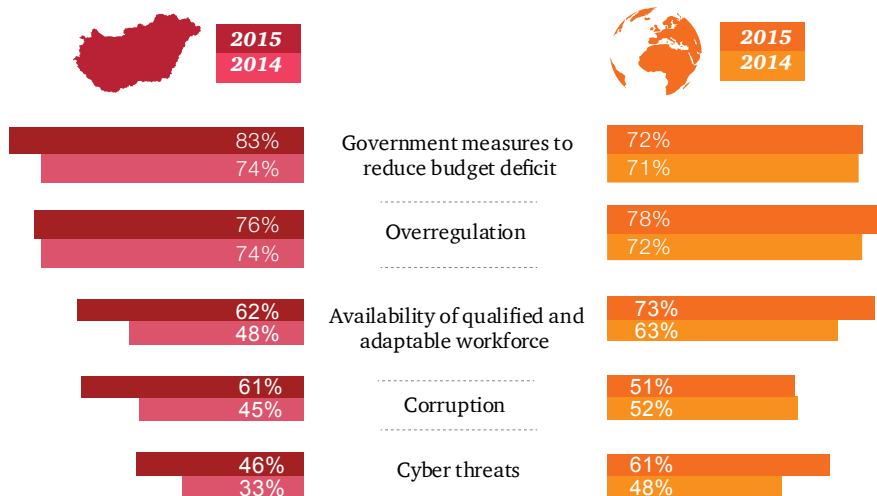


Threats

CEOs continue to be strongly concerned about overregulation and government measures aimed at reducing the budget deficit.

The lack of qualified personnel, corruption, and uncertainty due to cyber threats also pose difficulties for CEOs.

Question:
How concerned are you
about the following factors?



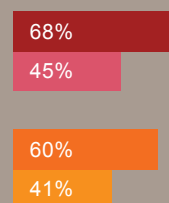
CEOs expect the government to create a competitive tax system and an adaptable workforce



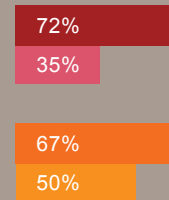
Question:
Which areas should be
government priorities?



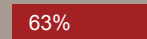
A skilled and
adaptable workforce



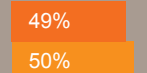
An internationally
competitive and
efficient tax system



A business environment
that facilitates innovation



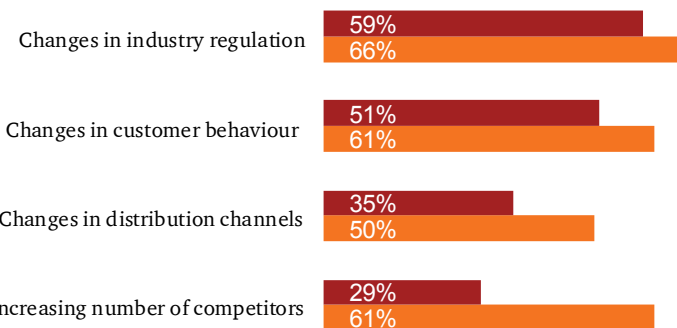
Adequate physical
infrastructure



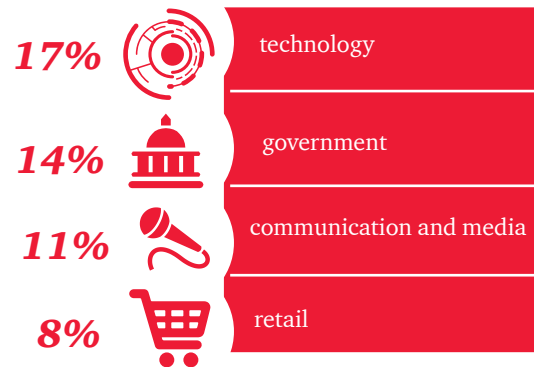


Competition

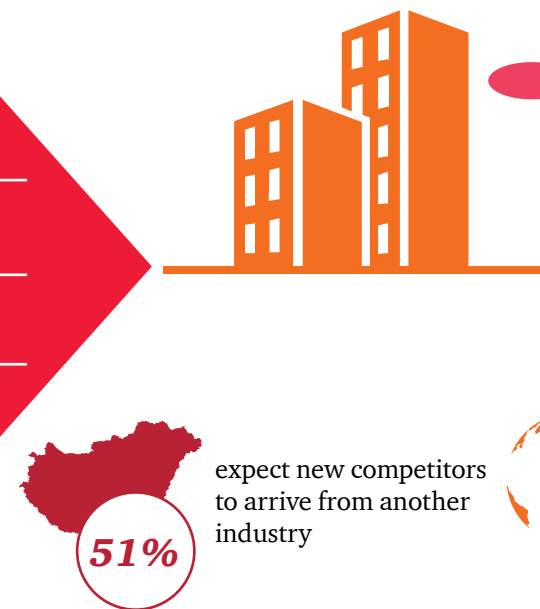
Competition is mostly influenced by changes in the regulatory environment



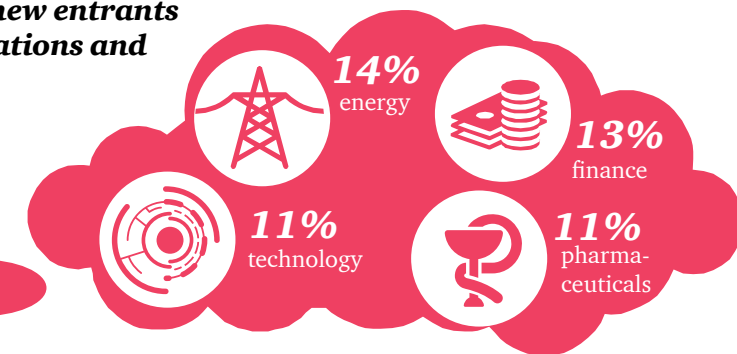
Question:
How do you think the following factors will affect your industry over the next year? (percentage of respondents who think there will be significant changes)



Seeking business opportunities in other sectors is no longer unthinkable for Hungarian CEOs. Most expect new entrants to arrive from the technology, state, communications and retail sectors.



expect new competitors to arrive from another industry



Target industries for Hungarian CEOs (among those who plan to enter or have already entered a new industry): energy, finance, technology, pharmaceuticals.



plan to enter or have already entered a new industry



Hungarian CEOs:

66% reported that their company's position improved in the past year

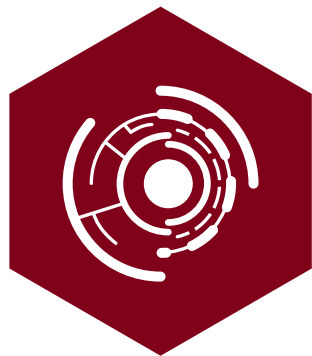
42% plan to increase their headcount

51% expect their customers' behaviour to change over the next five years

28% plan to enter a new industry, but **51%** expect new competitors from other industries



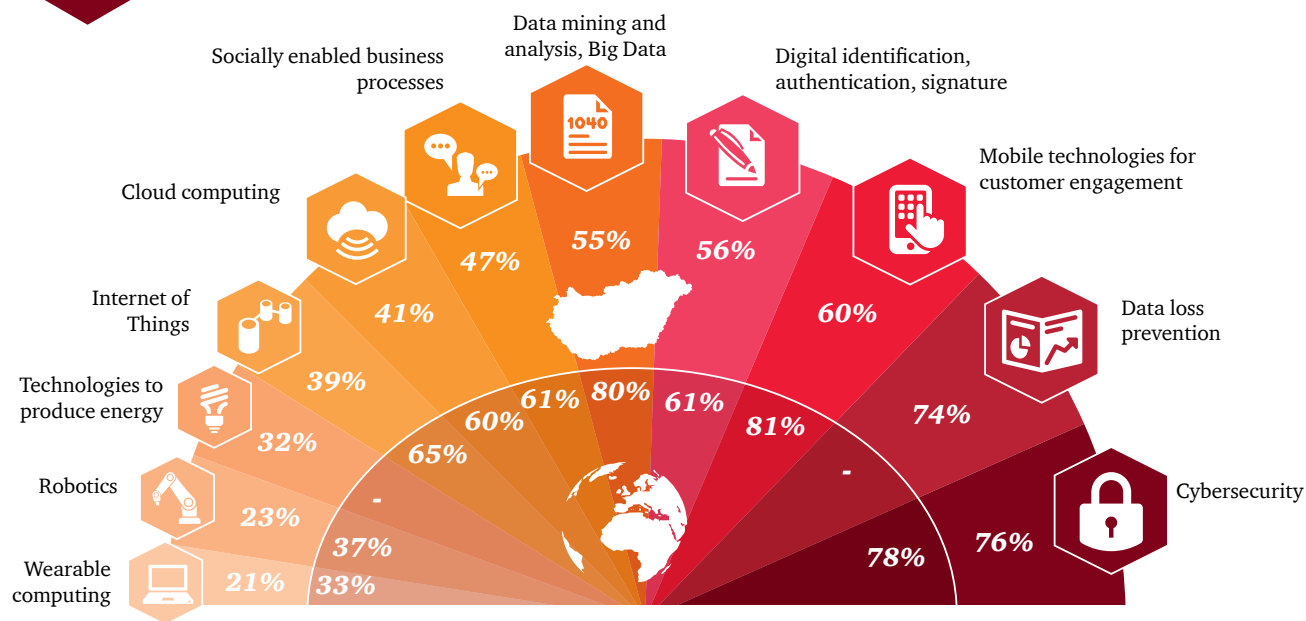
How are Hungarian CEOs preparing for the future?



Technology

The strategic importance of technology is indisputable, but while globally technology is primarily used to retain customers, in Hungary it mainly serves a security function

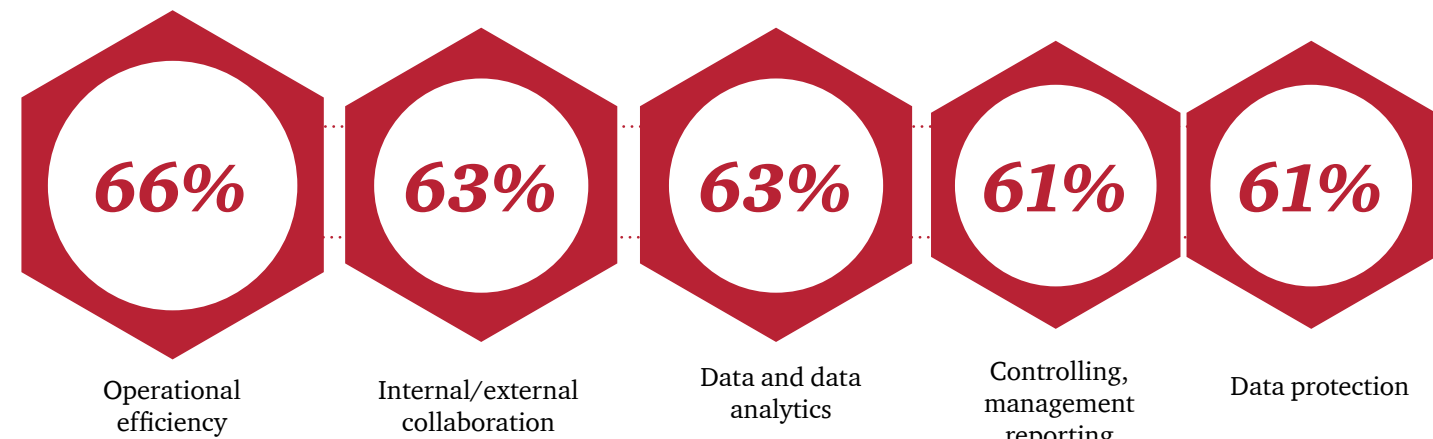
Question:
How strategically important are the following digital technologies for your organisation?



In Hungary, digital technology is mainly used to optimize existing processes, and innovation is not yet in focus



Question:
To what extent are digital technologies creating value for your company in the following areas?

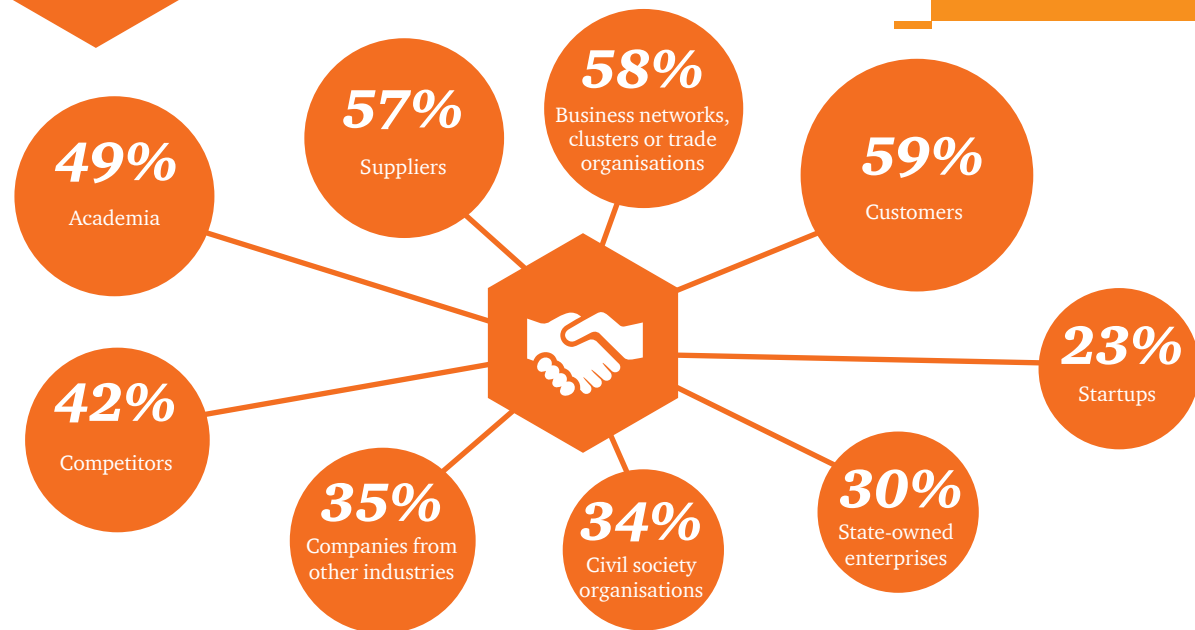




Partnership

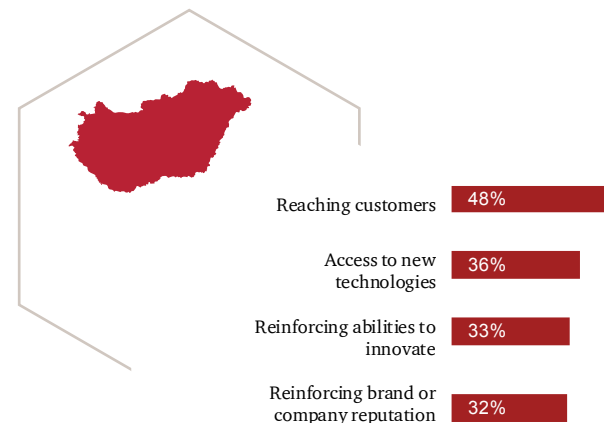
One possibility for Hungarian CEOs to meet the challenges posed by rapid change is building partnerships, even with competitors

Question:
Do you currently cooperate (or consider future cooperation) with any of the following business partners?



What motivates decision makers to build partnerships?

The main factors that motivate CEOs to cooperate with other companies and organizations:

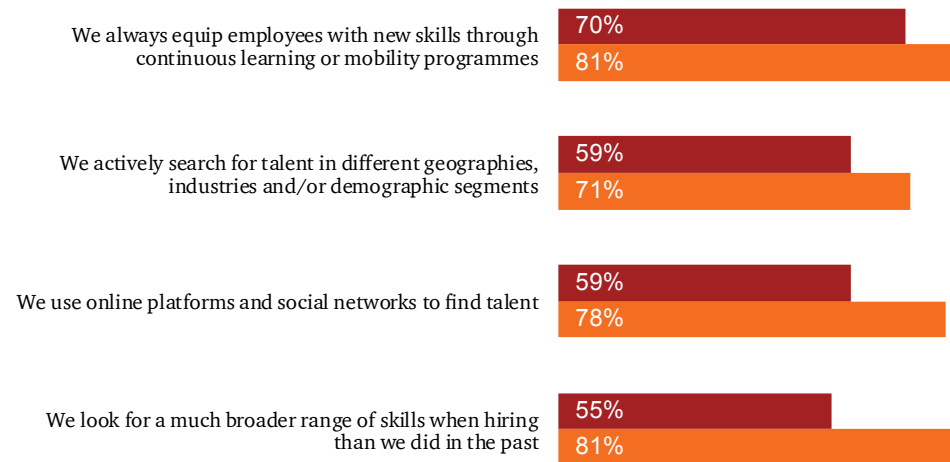




Adaptation

Rapid technological and market changes and a shortage of skilled labour make adaptation crucial. The most important factor that can boost a company's adaptability is its flexible workforce.

Question:
To what extent do you agree or disagree with the following statements about your organisation's talent activities? (Percentage of respondents who agree)



What is the ideal CEO like?

2013

Historical figures and successful leaders named by Hungarian CEOs as role models two years ago



2015

53%

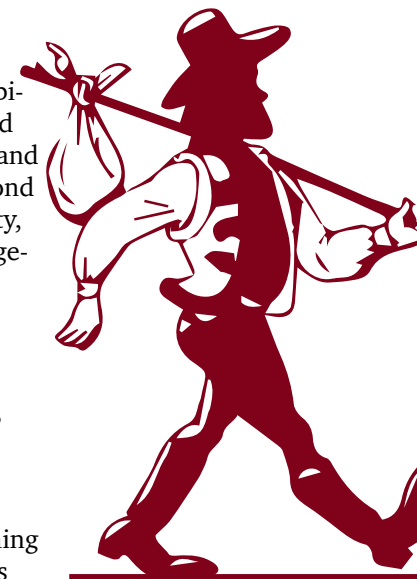
Adaptability, flexibility, being prepared for rapid changes and the ability to respond to them, proactivity, and change management

32%

Innovation skills, desire to innovate, creativity

19%

Finding and retaining the best employees that are able to motivate, empathy



Survey methodology

This is the fourth year PwC has prepared the Hungarian CEO Survey. The basis for the survey is provided by the PwC Annual Global CEO Survey, in which, in addition to the CEOs of global companies, leaders of Hungarian businesses have also been polled in phone interviews for 18 years on present challenges and future prospects. The aim of the research we conducted in parallel to the global survey is to give a more comprehensive picture of what Hungarian senior managers think, how they see the market, and what expectations and growth opportunities they have.

In the Hungarian survey, we used personal data collection: PwC's experts interviewed the CEOs of 170 Hungarian companies between October and December 2014. During the interviews, we collected quantitative data by means of questionnaires.

We contacted companies that PwC industry groups selected from the automotive, pharmaceutical and health, energy, retail and consumer industries, financial services, telecommunications and media, and manufacturing.

Comments: The figures shown in the charts do not add up to a total of 100% in every case, as we rounded up percentage data and did not always include the answers "Neither agree nor disagree" and "Don't know" in our calculations.

If you have any questions regarding our survey, please contact us:
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