

Kosovo CEO Survey  
*as part of the*  
*23<sup>rd</sup> Annual Global CEO Survey*

Navigating the rising tide  
of uncertainty



# Foreword



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As part of the 23<sup>rd</sup> Annual Global CEO Survey, PwC Kosovo organized for the first year the CEO Survey with the participation of the local and international business leaders whose companies operate in Kosovo.

During meetings and discussions, we had with business leaders in Kosovo while conducting the survey the following remarks and trends prevailed on predicting 2020 business environment:

- **52%** Kosovo CEOs appear to be more focused on the internal opportunities as key growth drivers, focusing on operational efficiencies, organic growth and launch of new products and services.
- **76%** of executives plan on increasing the headcount in their organisation.
- **69%** of Kosovo CEOs are planning to increase revenues through *organic growth*.
- **4 out of 5** business leaders consider *Social Instability* to be a threat to their organisations' growth.
- *Clear vision* on how to *create value* is the main driver of strategic goals for **31%** of Kosovo CEOs.
- Currently, the biggest challenge Kosovo CEOs with regards to upskilling is the *lack of resources* to conduct the necessary upskilling programs.
- The future of the internet is uncertain in the eyes of Kosovo executives with **56%** expecting governments to force the private sector to regulate content.

Therefore, I invite you to read this report and make best use of it as a source of inspiration when putting into life your strategies, vision and objectives of your business.

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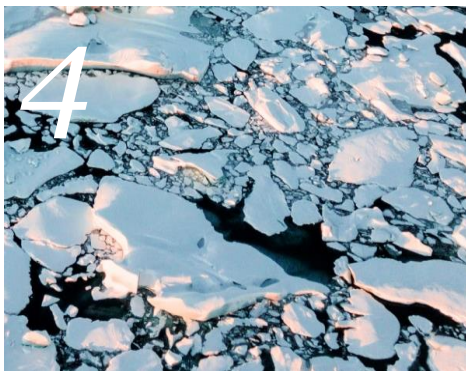
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# 1

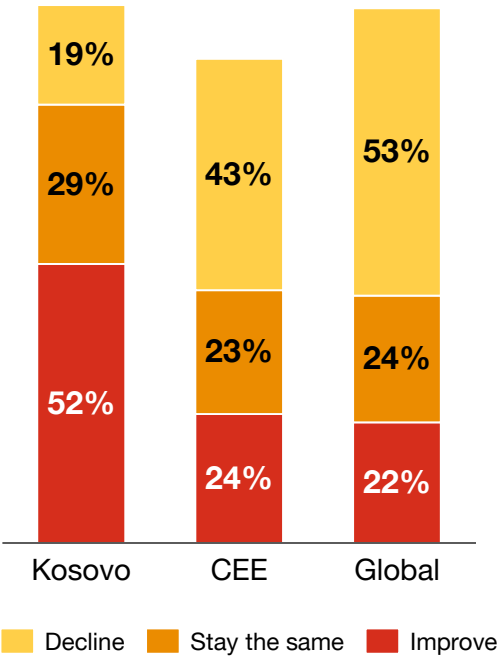
## Uncertainty Undermines Outlook



**For the first time, Kosovo participates as a territory in PwC CEO Global Survey. Business leaders appear optimistic compared to their global peers.**

This year's survey results reveal a concerning picture – global CEOs are more cautious than ever. More than half of the CEOs believe that economic growth will decline over the next 12 months, a figure which is up from 29% of last year. A steady decrease in optimism is observed over the last three years, from the record high of 2018. (see Figure 1)

**CEE business** leaders are somewhat slightly more positive than their global counterparts with only around 43% reporting expected declines in growth. Our results show that the **Kosovo CEOs** seem to be more optimistic about global economy prospective growth. As many as 52% of Kosovo CEOs believe that global economic growth will improve, unveiling a different business sentiment influenced primarily by their local and regional market operations.



*Exhibit 1*  
As shown in the graphs, a growing pessimism as 53% of global CEOs, up from 29% last year, report an expected decline in economic growth.

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

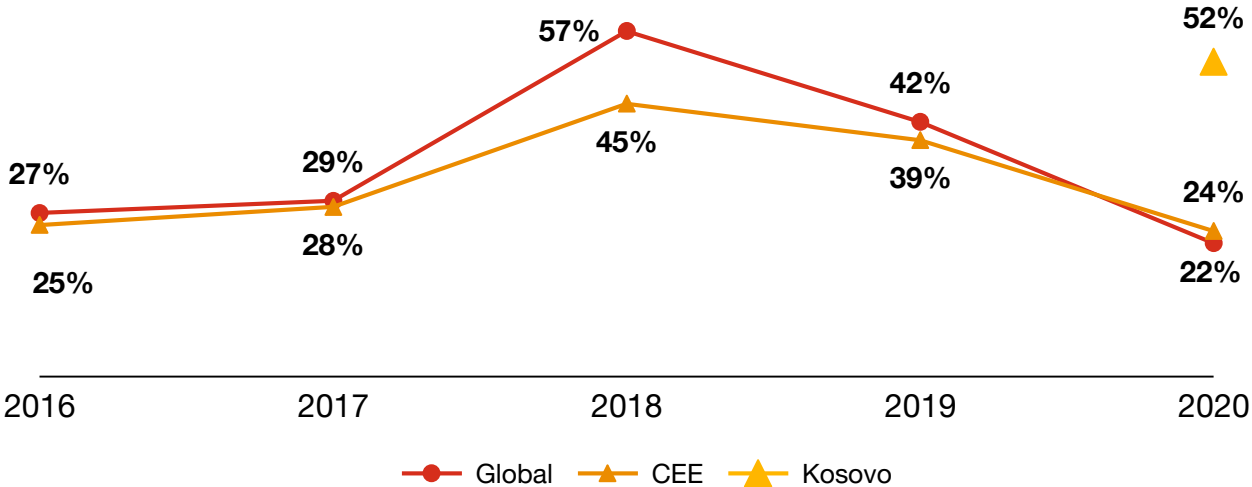
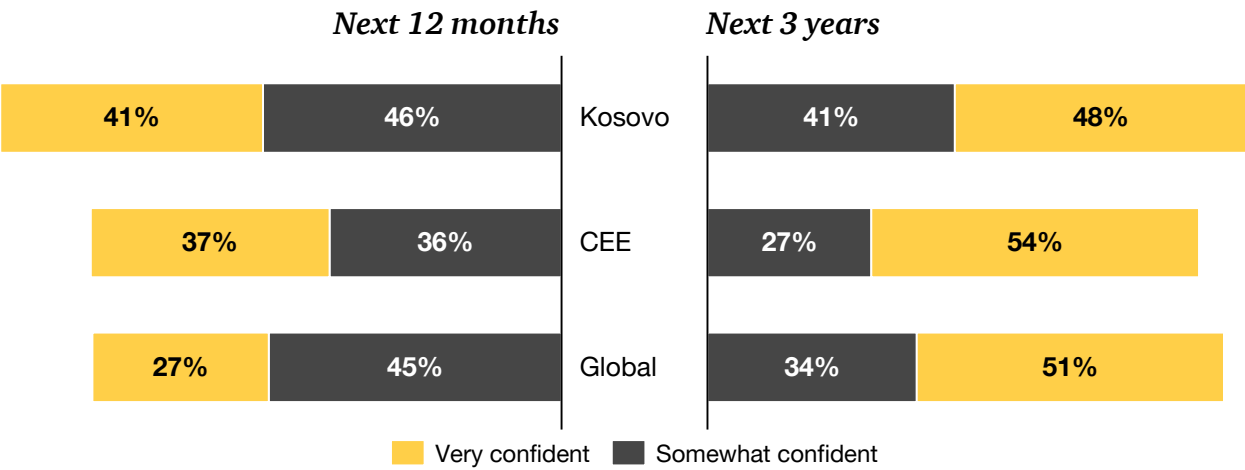


Exhibit 2

**Prosperity in horizon. Kosovo business leaders are more confident about short term rather than long term revenue growth prospects.**

**How confident are you about your organization's prospects for revenue growth over the next 12 months–3 years?**



**Global and CEE** CEOs scepticism about growth in the global economy is reflected in their own company’s growth prospects in the short term with only **27%** and **37%** being ‘Very Confident’ for growth in the next 12 months globally and in CEE respectively. Nevertheless, the future seems to be much brighter according to CEOs as about half of the respondents are confident in growth prospects in the long term. (see Figure 2)

The wide spread pattern of pessimism was not reflected in **Kosovo** this year, where **41%** of CEOs indicated that they were “Very Confident” for short term growth. Also in long term, Kosovo business leaders are even more positive with overall growth prospects standing at 4% higher than their global peers.



*Exhibit 3*

CEOs in Kosovo, much like global and regional peers, will rely mostly on internal opportunities for growth.

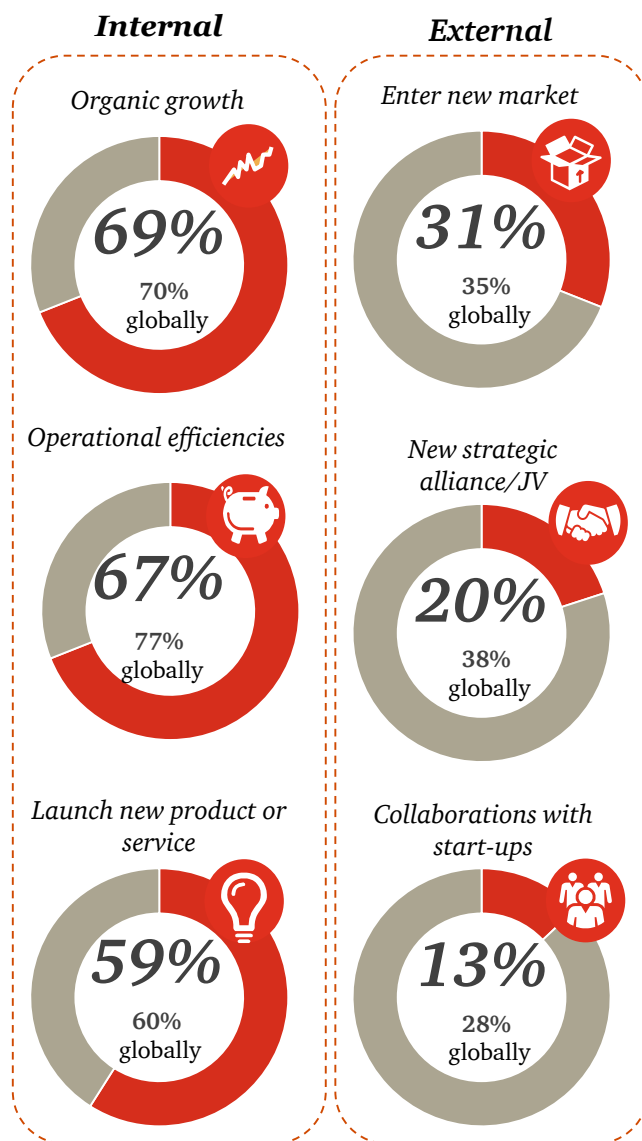
Which of the following activities, if any, are you planning in the next 12 months in order to drive revenue growth?

When asked about how they plan to drive revenue growth for their companies, business leaders seem to be looking *inwards* towards their own organizations rather than to the external business opportunities.

Kosovo and global leaders share same views when classifying organic growth and operational efficiencies as the top 2 drivers in Kosovo with **69%** and **67%** respectively, while globally operational efficiencies seem to be the focus (**77%**).

A large portion of global CEOs (**60%**) will rely on launching a new product or service. Kosovo CEOs share the same view as **59%** of them are planning to do the same.

External opportunities such as M&As (**7%**) and collaborations with start-ups (**13%**) appear far less popular among Kosovo leaders compared to global and regional counterparts. When it comes to entering new markets Kosovo CEOs (**31%**) are almost as eager as CEOs globally (**35%**).



\*respondents have chosen multiple alternatives

When asked about strategic goals, CEOs had a very clear view on how to enable them – *value creation for their customers*. Globally and in the CEE region having a clear vision on how to deliver value to customers was the primary enabler of strategic goals with **26%** and **27%** respectively. Kosovo leaders appear to be even more customer focused with **31%** of the respondents that believe in having a clear vision in how they create value for customers.

The second most important opportunity was bringing something unique to customers, chosen by **26%** of Kosovo leaders and **11%** globally.

The third place is shared equally (**9%**) between pursuing only those strategic opportunities that they believe they can win, having a set of differentiating capabilities that set them apart from the competition and allocating resources strategically.

#### Exhibit 4

**Value creation and a clear vision are the main drivers of strategic goals globally, regionally and in Kosovo.**

**Which of the following statements do you believe most strongly enables your strategic goals?**

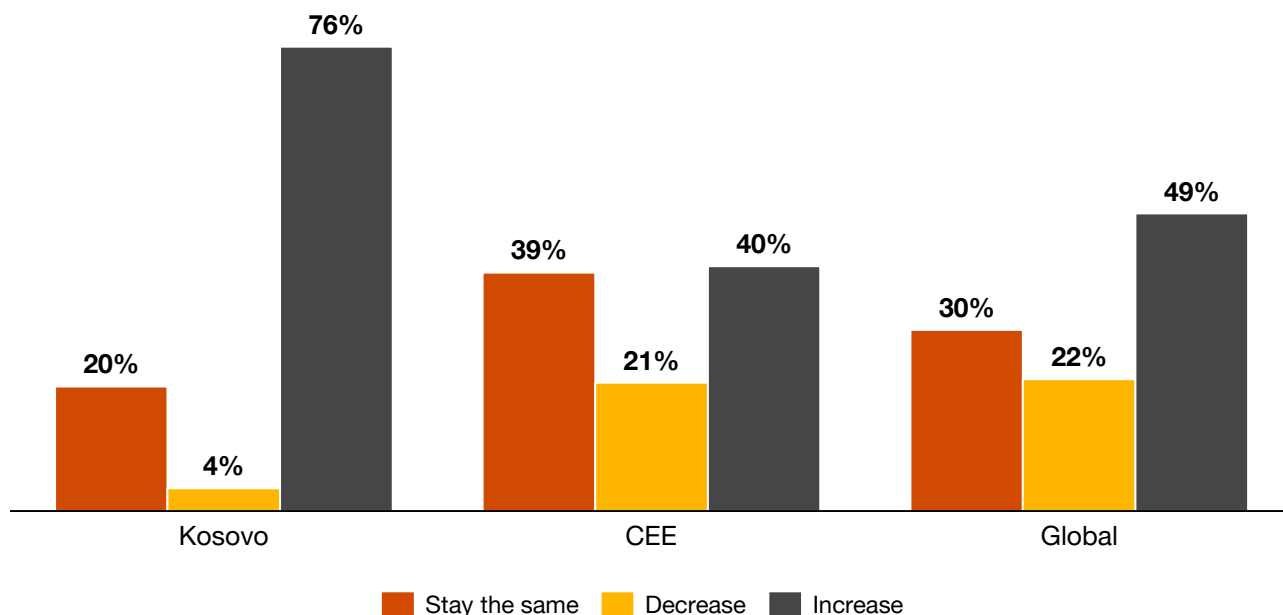




*Exhibit 4*

**CEOs appear eager to grow their headcount figures, even more in Kosovo compared to the CEE region and globally.**

**Do you expect headcount at your organisation to increase, decrease or stay the same over the next 12 months?**



\*respondents have chosen multiple alternatives

Headcount planning by CEOs is a particularly important indicator that also clearly reflects their outlook on the future of the global economy and their own organisations in particular. When it comes to global leaders, we observe a significant decrease in the percentage of them who are intent on increasing their headcounts (**49%**) from last years figures (**54%**). Business leaders in the CEE region are in line with global peers, even slightly less inclined towards growing their labour force numbers (**40%**).

Similarly to their opinions on the global economy, Kosovo CEOs diverge from global leaders in that they are far more

adamant that the next 12 months will bring growth, including in terms of headcount. **76%** of the executives are optimistic about their labor force numbers. These results could spell good news for the Kosovo economy and unemployment levels in the country.

# 76%

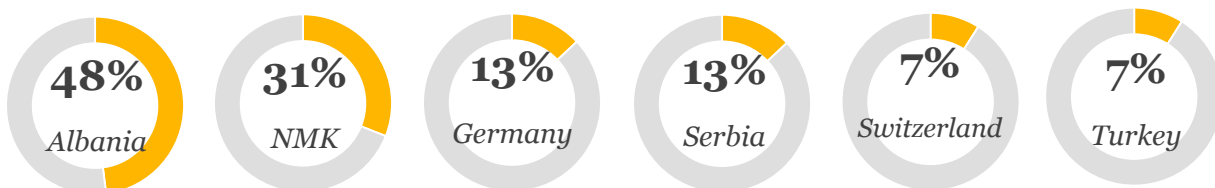
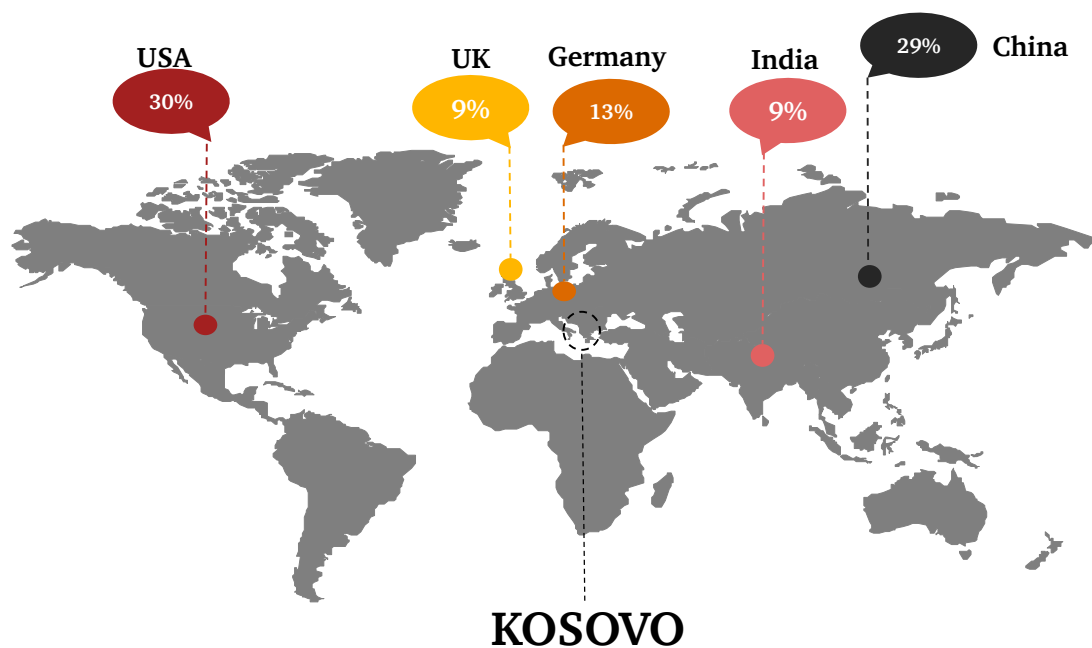
of Kosovo executives expect the headcount in their organisation to increase in the next 12 months.

*Exhibit 6*

**Gravitational factors continue to determine trade relations for Kosovo firms, where proximity and cultural ties plays a key role.**

**Which three territories, excluding the territory in which you are based, do you consider most important for your organization's overall growth prospects over the next 12 months?**

Foreign markets play a fundamental role when it comes to new opportunities for investments. The Top 5 still remain the same with no new entries. Unlike previous year, there is a slight growth for countries such as USA and China.



\*respondents have chosen multiple alternatives

Albania is considered the most important territory for organizations overall growth over the next 12 months by almost half **48%** of the Kosovo business leaders. It is followed North Macedonia which even though is not considered as important, still stands at a high **31%**. The other countries are considered far less important by Kosovo CEOs, with Germany and Serbia, equally third, getting only **13%**. Switzerland, Turkey and USA are considered important for the organizational overall growth prospects for the next 12 months by only **7%** of Kosovo business leaders. These numbers tell us Kosovo CEO focus primarily on domestic trade and they do business with a select number of neighboring countries.



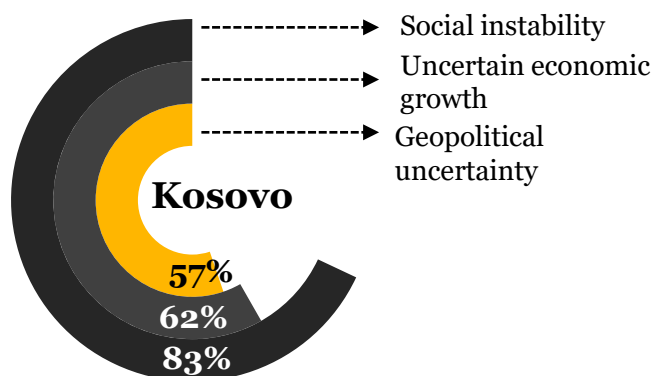
# 2

## Setting Up Guard Rails in Cyberspace

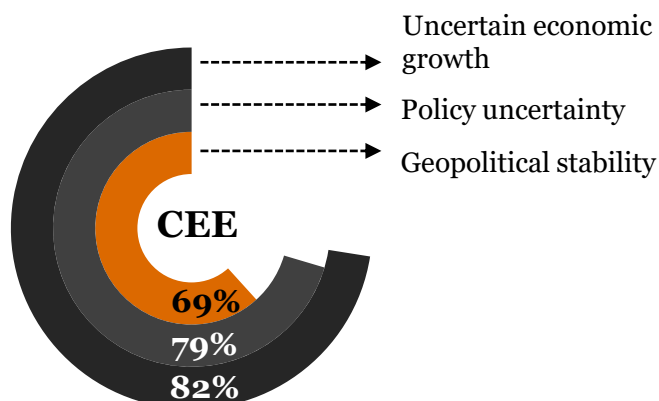
## Exhibit 7

Uncertain economic growth and policy uncertainty remain two of the key concerns in CEOs minds, both in Kosovo and globally.

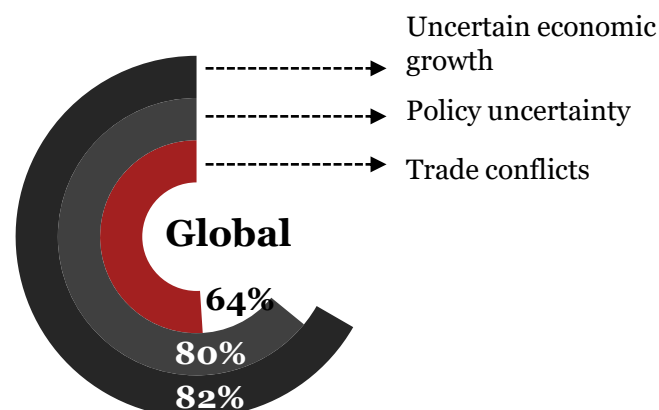
How concerned are you with the following potential economic, policy, social, environmental and business threats to your organization's growth prospects?



Kosovo CEOs seem to be very concerned about social instability, as **83%** of them quoted this issue as being a threat to their organization's growth prospects, while globally and regionally it does not seem to be considered a main threat. The second biggest concern for Kosovo business leaders is uncertain economic growth with **62%**, the issue that to global and regional CEOs is equally the most concerning one **82%**.



CEOs in CEE region and globally are more concerned about uncertain economic growth, where **82%** of them quoted this as their major concern, followed by policy uncertainty with **79%** and **80%** respectively.



Globally trade conflicts still remain one of the most concerning issues among CEOs.

**83%**  
of Kosovo executives are most concerned about social instability.



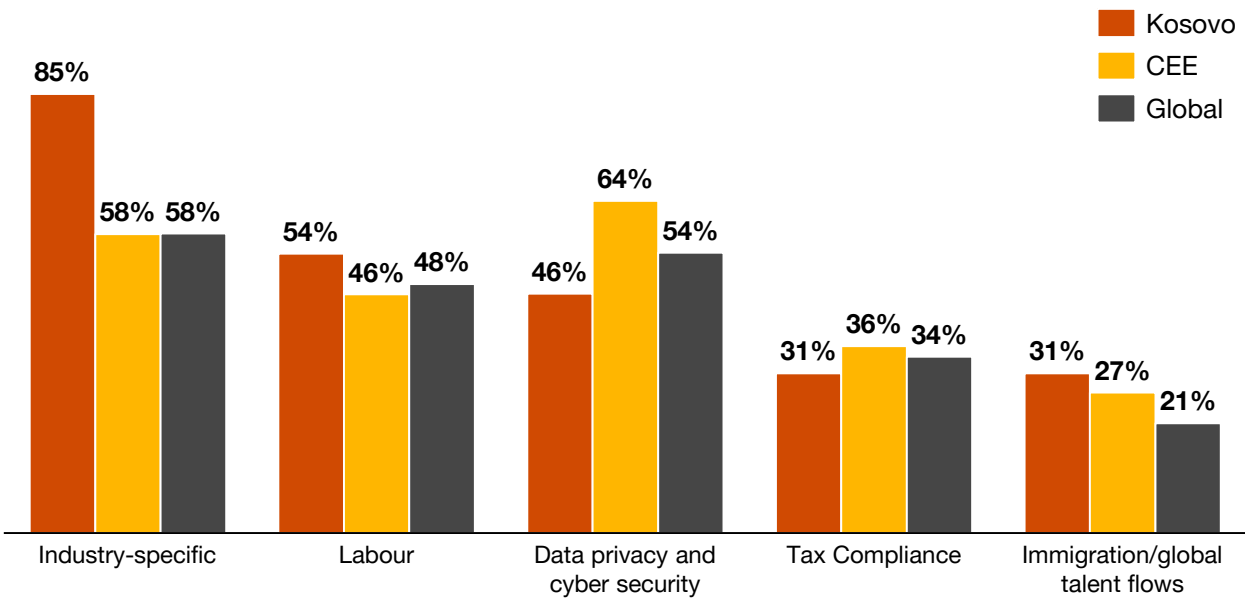
Exhibit 8

Compared to their regional and global peers, Kosovo CEOs are more concerned about Industry specific regulations with 85% of them stated this year.

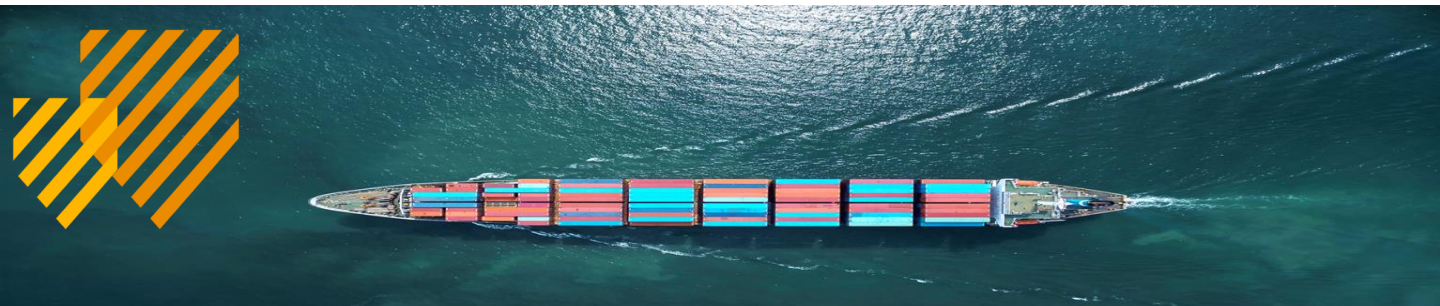
Which areas of 'regulation' are you most extremely concerned about?

Kosovo CEOs are most concerned about industry-specific regulation areas with **85%**, followed by labor with **54%**, data privacy and cybersecurity with **46%** and tax compliance and global flow with **31%**. They are least concerned about consumer protection, environment, competition and intellectual property regulations (**15% each**). The CEE region is more concerned about data privacy and cybersecurity with **64%** followed by industry-specific with **58%**.

They are least concerned about trade with only **20%**. In terms of global analysis there seems to be the same trend as the CEE region except they are slightly more concerned about Industry-specific regulations holding the the first place with **58%**, followed by data privacy and cybersecurity with **54%**. They are least concerned about immigration/global talent flows with only **21%**.



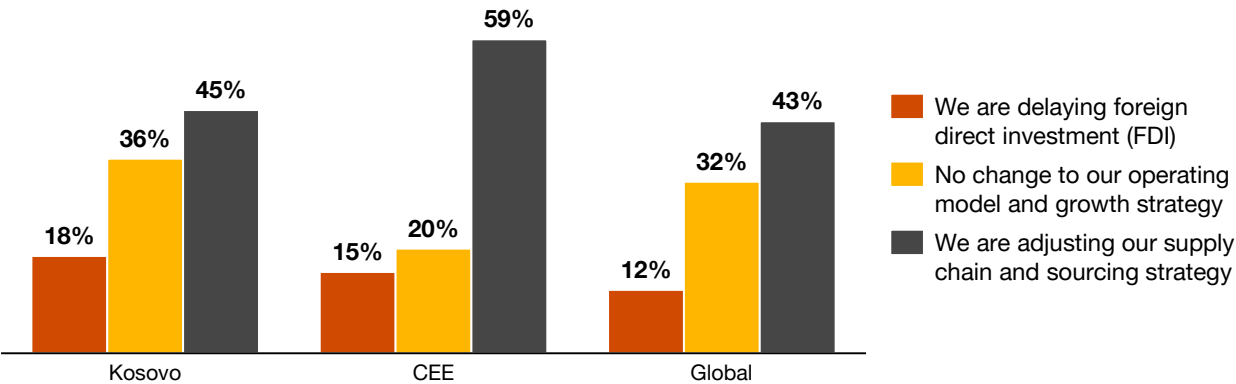
\*respondents have chosen multiple alternatives



*Exhibit 9*  
**Kosovo business leaders are following the same approach as their Global peers regarding adjustment to supply chain and sourcing strategy.**

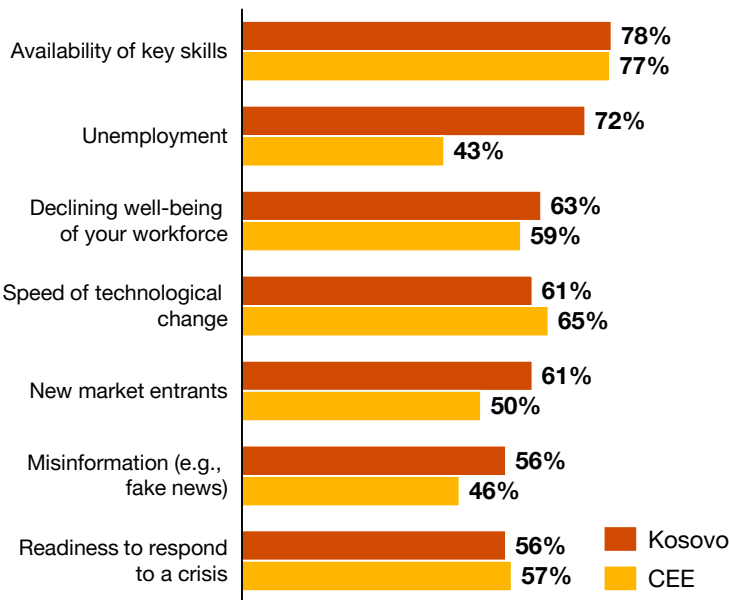
**How are 'trade conflicts' affecting your operating model and growth strategy?**

Kosovo CEOs are following the same approach as their global and regional peers regarding operating and growth strategy. Seemingly to global CEOs, Kosovo representatives are adjusting their supply chain and sourcing strategy (45%), while the regional peers seems to have a higher response, (59%) for this issue.



*Exhibit 10*  
**CEOs in Kosovo, much like their regional peers, will be mostly concerned about availability of key skills, while unemployment seems a big concern too.**

**How concerned are you, if at all, about...**

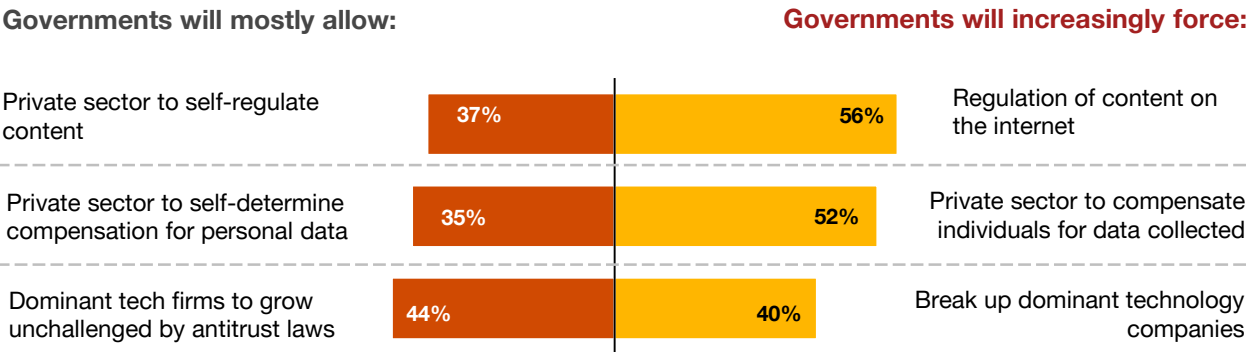


The availability of key skills is the main concern in the country and almost the same in both Kosovo and CEE region. While cyber security is an important concern in CEE, we can not say the same about Kosovo responses. While, CEE business leaders are the least concerned about unemployment (43%), it worries Kosovo CEOs quite a lot with a scoring 72%. Kosovo CEOs are less concerned about volatile energy costs and the disruption of supply chains.

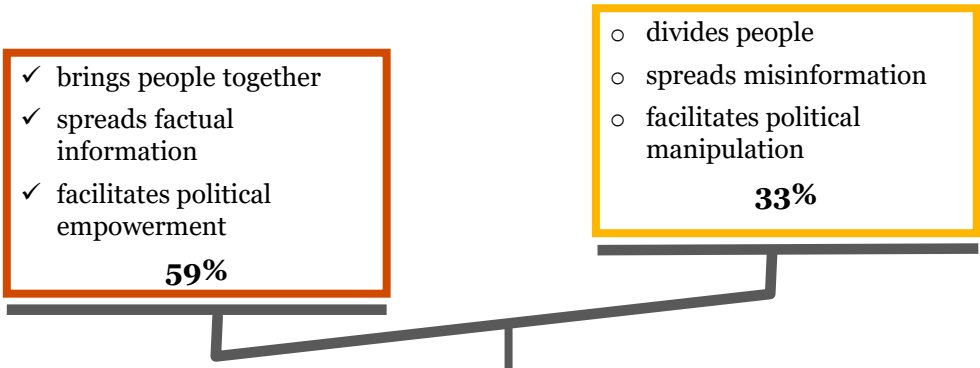
\*respondents have chosen multiple alternatives

*Exhibit 11*  
**The current frequent changes and introduction of new internet content policies seem to prevent CEOs from having a clear outlook on the future.**

**Thinking about the future (2022 and beyond), please select the statement that you believe is more likely to occur:**



***The internet (including social media) will increasingly be seen as a platform that:***



Kosovo CEOs believe that in the years to come governments will increase their control, **56%** saying they will force the private sector regarding data and content in the internet. Global CEOs agree, strongly so, as **71%** of them believe the same and as much as **73%** believe governments will increasingly use the data collected from citizens to determine access to social services, loans and other aspects of life.

The internet, on the other hand, is seen as a platform that will bring people together and spread factual information

by **59%** of the CEOs in Kosovo and **51%** Globally but it's also expected to get more fractured locally and globally by **39%** and **50%** respectively, as governments apply their own legislation about content.

The contradiction in these opinions might hint to an uncertainty of CEOs about the future of the internet. The current frequent changes and introduction of new policies seem to prevent them from having a clear outlook on the issue.

Exhibit 12

**Cybersecurity and digital privacy are the most important areas business and governments need to collaborate on according to CEOs in Kosovo and globally.**

**Which emerging technology areas are most important for business and government to collaborate on in order to build trust in society?**



In today's technological world consumers are hesitant about sharing their data and consider their digital privacy evermore important and valuable. Personal data collected online makes up a large part of companies' databases but many data subjects are being reluctant to grant access to their data and are questioning the safety thereof. In order to build more trust in society, Kosovo CEOs think that governments and businesses need

to mainly collaborate on areas as Digital Privacy, Cybersecurity and Artificial Intelligence. These are also the three most important technology areas for governments and businesses to work on, report CEOs globally. Kosovo CEOs give Digital Privacy the highest priority (22%), accompanied by the same trend in global levels where Cybersecurity is also more important (27%).

Exhibit 13

**While cybersecurity issues are the same for CEOs overall, in Kosovo they are far less concerned about said issues.**

**What key factors are having the greatest impact in shaping your cybersecurity strategy?**



CEOs in Kosovo generally seem to be less concerned about increasing complexity of cybersecurity threats as opposed to CEOs globally, more than half of whom (75%) seem to feel impacted by cyber threats. The other two main issues that concerns Kosovo CEOs are in the same line with Global peers, respectively 52% and 59% related to cybersecurity and data privacy regulations. In addition, growing public concern over data privacy seems to be the main issue which Kosovo representatives feel to have the greatest impact on shaping their strategy, respectively 61%.



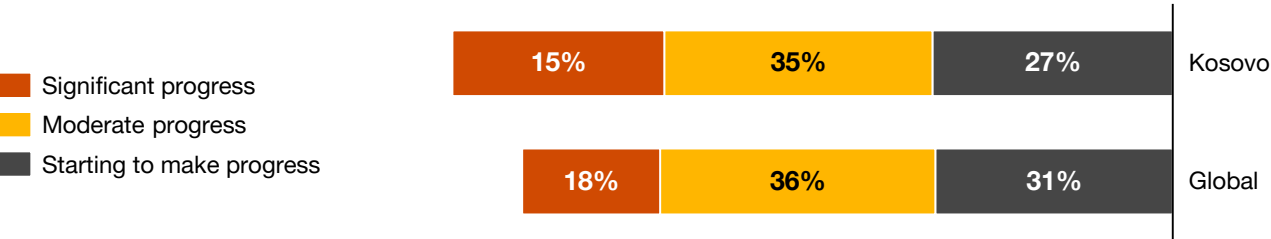
# 3

To Upskill or  
Not to  
Upskill,  
No Longer  
the Question



*Exhibit 14*  
**Kosovo business leaders are aware of fundamental importance of Upskilling for value creation.**

**How much progress has your organization made in establishing an upskilling program that develops a mix of soft, technical and digital skills?**



The main focus of the Kosovo CEOs towards upskilling is to define the skills needed to drive their future growth strategy and **63%** have already made progress towards it. Both in country level and in global level business leaders find open communication on skills on the future really valuable when it comes to upskilling.

Only **15%** of the organizations in Kosovo have already made significant progress in

establishing upskilling programs that develop a mix of skills and **28%** are starting to. Similarly, in CEE and global level only **18%** have made significant progress, however **31%** are starting to make progress in upskilling programs. Business leaders strongly believe and have started to make progress in improving their workers' knowledge of technology.

*First, you have to create a culture of learning. Investing in people and helping them continually develop their skills—that should be embedded in a company's culture. That doesn't just mean training people in what the company decides is important to them. At least a portion of the learning agenda should be based on what the individual chooses to learn about. The role of the company is to continually challenge and develop its people, starting at the top. In fact, I think the company has an obligation to do so.*

*-James Keane, CEO of Steelcase, US*



Exhibit 15

**Lack of resources to conduct upskilling programs remains one of the main concerns for Kosovo, regional and global leaders.**

**Please rank three greatest challenges your organization currently faces in its upskilling efforts.**

Business leaders' top three greatest challenges are the lack of resources to conduct the upskilling programs they need **26%**, followed by retaining employees who have been upskilled **17%** and motivating employees to learn and apply their learning **15%**. These are the biggest challenges both in country and global level.



*A lack of resources (e.g., budget, people, time, knowledge) to conduct the upskilling programs we need*



*Retaining employees who have been upskilled*



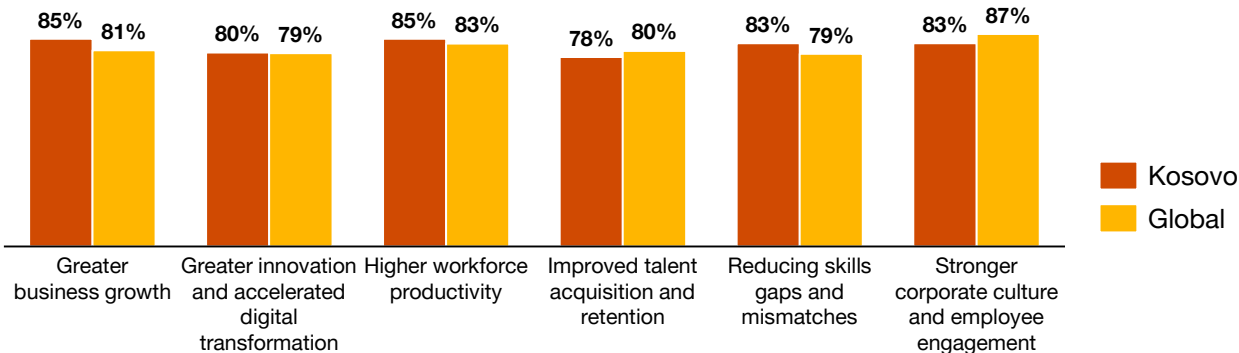
*Motivating or incentivizing employees to learn and apply their learning*

Exhibit 16

**Organizations that have made significant investment in upskilling are seeing the profits thereof.**

**How effective are your upskilling programs in achieving the following outcomes?**

Business leaders who have invested in upskilling programs for their employees have attained a greater business growth in Kosovo and globally, **85%** and **81%** respectively. Compared to the CEE region and globally, Kosovo falls in the same line, except for "Stronger corporate culture and employee engagement" (**83%**) being the only outcome that differs with a mere **5%** from the **87%** of their global peers. Higher workforce productivity is also one of the most effective outcomes in relation to upskilling.







4



Climate Change: An  
Opportunity Cloaked in Crisis



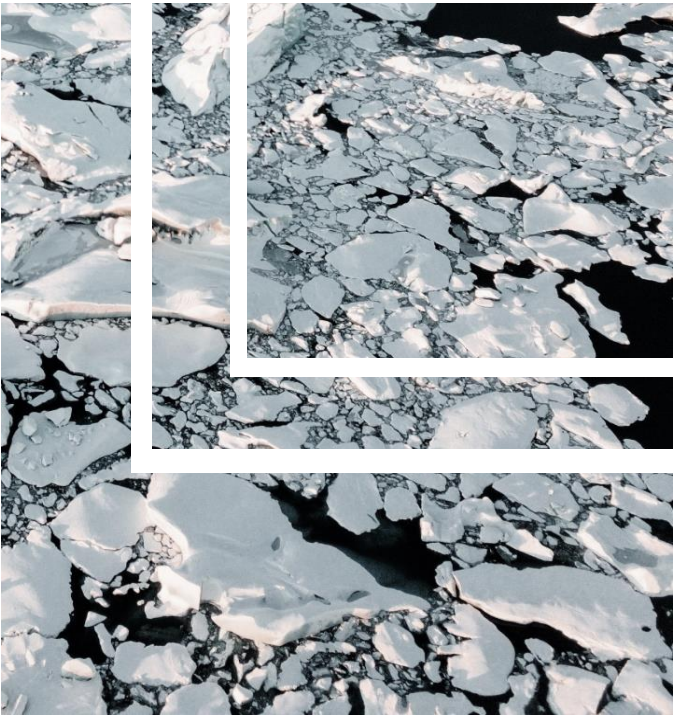
Exhibit 16

Compared to ten years ago, CEOs are more likely to recognize the benefits of investing in climate change initiatives.

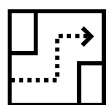
How strongly do you agree or disagree with the following statements regarding climate change? (showing only 'strongly agree')



Compared to a decade ago, when we last asked the same question, global chief executives are twice as likely to 'strongly agree' that investing in climate change initiatives will boost reputational advantage among key stakeholders, including employees (30% in 2020 compared with 16% in 2010), and afford significant new product and service opportunities (25% in 2020 from 13% in 2010). Nearly three times as many (14% in 2020 compared with 5% in 2010) agree they see the benefit of government funds or financial incentives for 'green' investments.



## Key Findings



**52%** of Kosovo business leaders are confident in global economic growth in the next year.



**69%** of Kosovo CEOs are planning to increase revenues through *organic growth*.



*Clear vision* on how to *create value* is the main driver of strategic goals for **31%** of Kosovo CEOs.



**76%** of executives plan on increasing the headcount in their organisation.



*Albania* is considered the main territory for growth prospects by **48%** of business leaders.





# Snapshot

**54**

*Kosovo CEOs took part in the first annual CEO Survey*

**70%**

*of the participating companies have an established market position of over 11 years*





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