

Five priorities for accelerated reinvention

Consumer Markets in the Middle East

PwC's 28th Annual Global CEO Survey



This year's survey shows that CEOs in our region understand the urgent need to adapt their organisation as powerful megatrends reshape the business landscape.

Consumer Markets CEOs in the Middle East are actively pursuing reinvention, setting the pace on AI adoption and making climate-friendly investments. While they are confident about an immediate revenue growth, they recognise the pressing need to reinvent to ensure longer-term viability. Deal activity has been particularly high in the Consumer Markets industry, as CEOs are compelled to blur traditional industry boundaries and expand their customer base in search of new domains of growth.



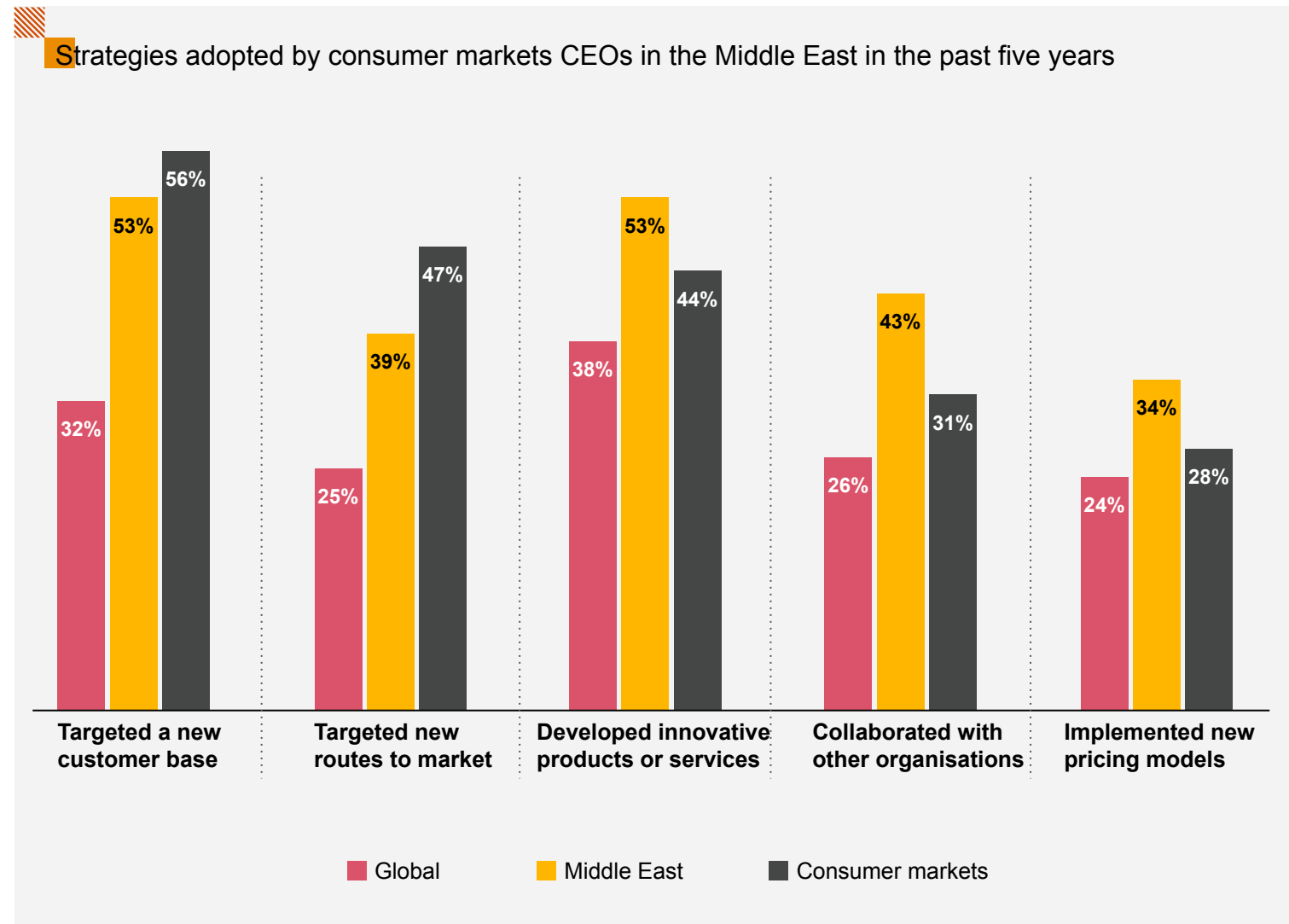
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Here are five priorities for Consumer Markets CEOs for the year ahead

Priority 1: Accelerate reinvention plans

Consumer markets CEOs in the Middle East have adopted a range of strategies in the past five years, seeking out new markets and sources of revenue. Although 91% of consumer markets CEOs feel confident about their prospects for revenue growth in the coming 12 months, 56% believe that their company will not be economically viable in 10 years if it continues on its current path. The need for reinvention is pressing, accelerated by the megatrends of AI and climate as they redefine the competitive landscape.

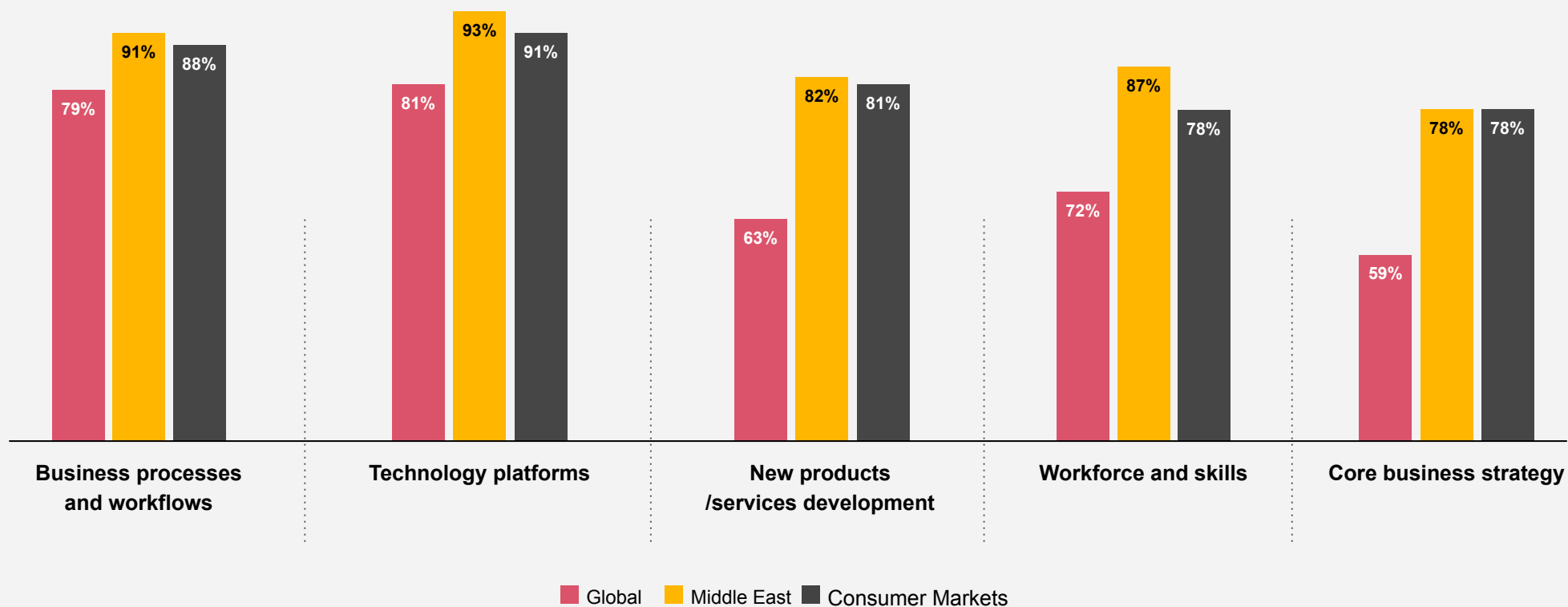


Note: Percentages may not total 100% due to rounding.

Priority 2: Investigate the potential of GenAI

CEOs across the region show strong levels of trust in AI and GenAI, and this can be seen clearly in the consumer markets industry, where 88% of CEOs trust its use in key processes in their company. In fact, 88% of consumer market CEOs have adopted AI in the last 12 months - the highest adoption rate of all industries, alongside technology, media and telecommunications (also 88%). Looking ahead, many have plans to integrate AI throughout the business over the next 12 months, driving reinvention and increasing competition across the sector. Companies cannot afford to be left behind.

To what extent, if at all, do you predict AI (including generative AI) will be systematically integrated into the following areas in your company in the next three years?

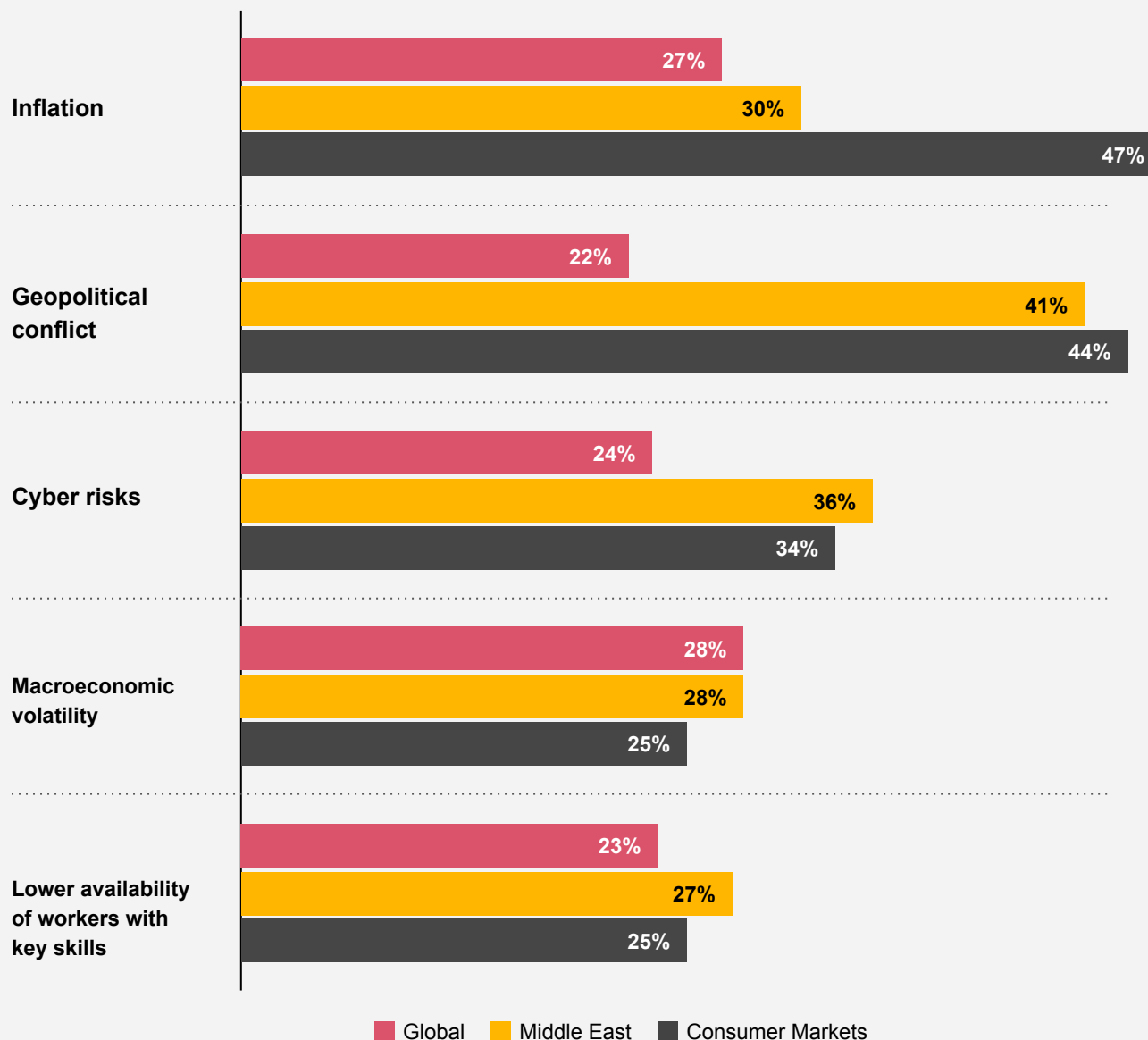


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Priority 3: Plan for multiple, diverse, internal and external threats

Effective risk management has never been more crucial. CEOs across the Middle East feel exposed to a wide range of highly disruptive threats such as macroeconomic and geopolitical risk, and specific business issues including skills shortages and technological disruption. Consumer markets CEOs identify inflation as the most serious threat to their business in the coming 12 months, but should also ensure that day-to-day business threats such as cyber risks are mitigated as far as possible.

Share of CEOs who believe their company will be highly or extremely exposed to key threats in the next 12 months

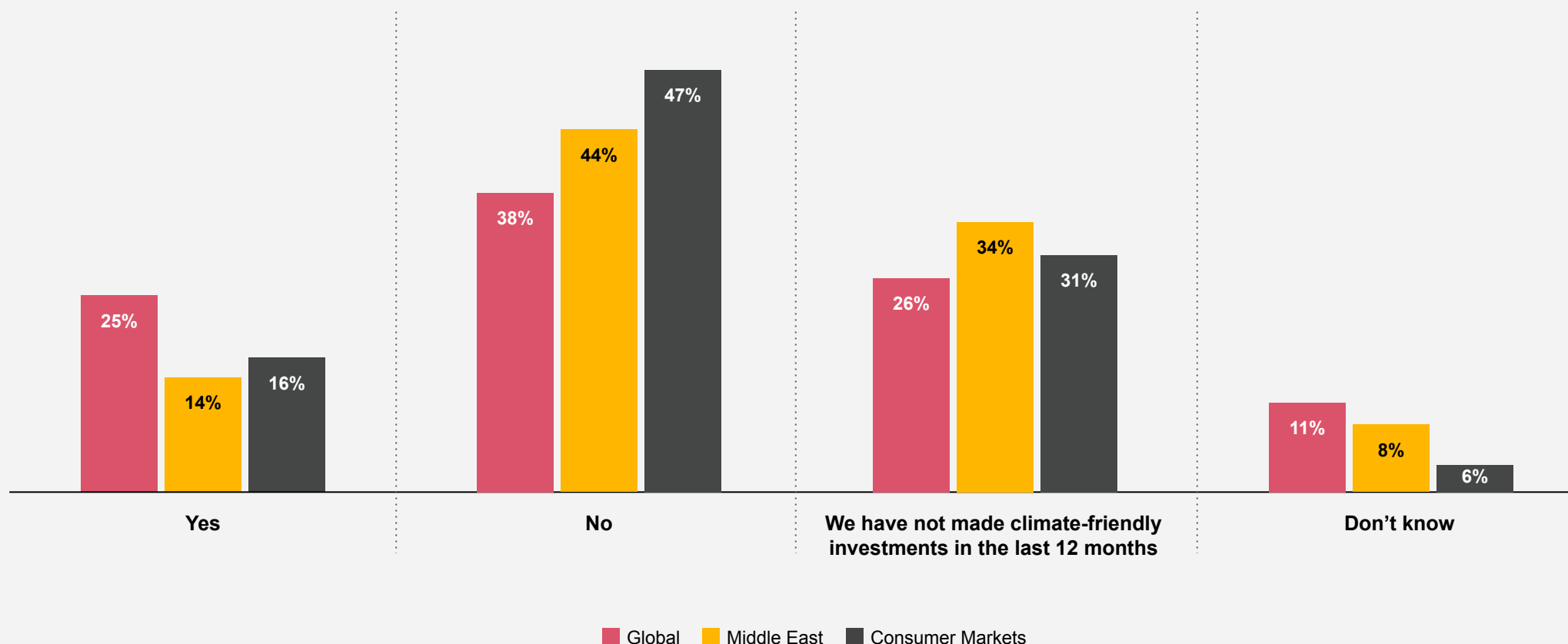


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Priority 4: Prepare for growing demands around sustainability

Stakeholder demands around sustainability in the Middle East are intensifying. 84% of consumer market CEOs have initiated climate-friendly investments in the past five years, a rate only exceeded by the transport and logistics sector. However only 16% of these CEOs in the region are willing to accept rates of return for climate-friendly investments that are lower than the minimum acceptable rates for other investments.

Share of CEOs who accepted rates of return for climate-friendly investments that were lower than the minimum acceptable rate of return their company uses for other investments, in the last 12 months

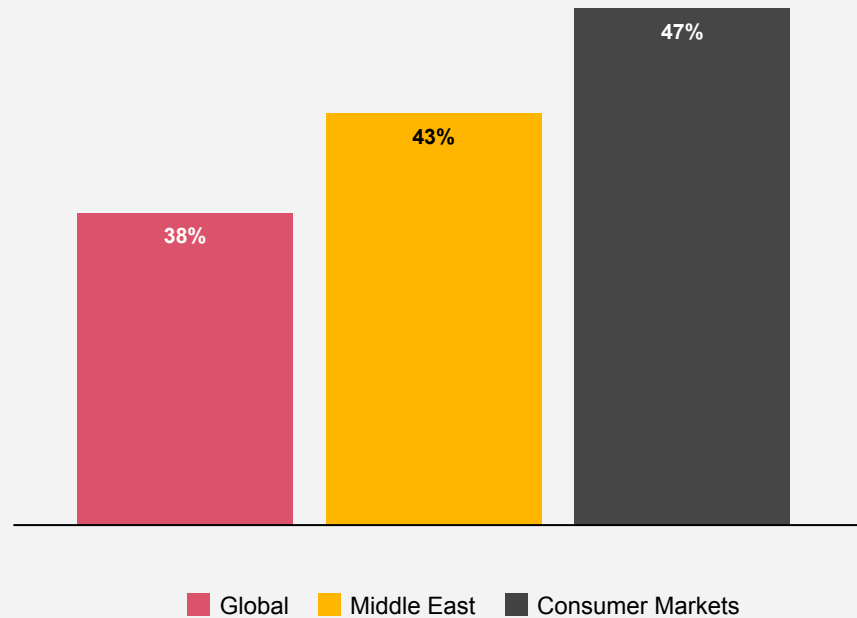


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Priority 5: Seek out opportunities beyond traditional boundaries

Consumer markets CEOs are some of the most active in terms of seeking out opportunities beyond their traditional markets, and almost half say that their company has entered a sector or industry that is new to them in the past five years. The implementation of omnichannel strategies have driven up M&A activity – 41% of consumer markets CEOs (much higher than the Middle East average of 27%) have made a major acquisition in the past three years – the highest across all industries. Bold collaboration and partnership strategies can offer more agile opportunities for reinvention.

Share of consumer markets CEOs who have begun competing in new industries over the last five years



Note: Percentages may not total 100% due to rounding.



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