

The background of the slide is a close-up, high-angle shot of a microchip mounted on a circuit board. The chip is square with a red border and a blue center. The circuit board is dark green with various components and traces. The lighting is blue and dramatic, with some red highlights from the chip's border.

Five priorities for accelerated reinvention:

Technology, Media and Telecommunications

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.

Technology, Media and Telecommunications CEOs in the Middle East understand the urgent need to reinvent their business as powerful megatrends, and the opportunities created by AI and GenAI in particular, transform the industry landscape. With digital transformation impacting all industries, the TMT sector is leading the charge on industry convergence. TMT CEOs need to stay alert in the year ahead, with cyber and technology disruption high on the risk agenda. While the industry is seizing many opportunities today to capture value for tomorrow, they must not forget the important role of climate in driving reinvention.



Jad Hajj

Partner, Technology, Media and Telecommunications and
Digital Leader
Strategy&

Here are five priorities for Technology, Media and Telecommunications CEOs in the year ahead.

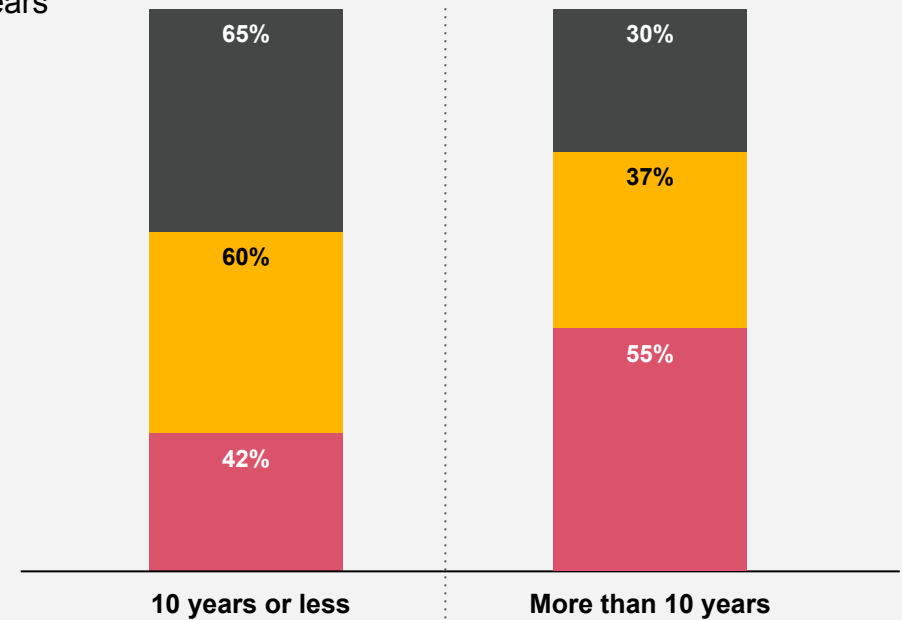
Priority 1: Accelerate your reinvention plans

CEOs across all sectors have worked hard in recent years to reinvent their business models as powerful megatrends redefined market dynamics.

For CEOs in the technology, media and telecommunications sector, the need to reinvent their organisations has become critical – 65%, compared to 42% of CEOs globally, believe that their company will not be economically viable in 10 years or less if it remains on its current path.

Share of CEOs who believe their company will not be economically viable in its current state within 10 years

Global
Middle East
TMT



Note: Percentages may not total 100% due to rounding

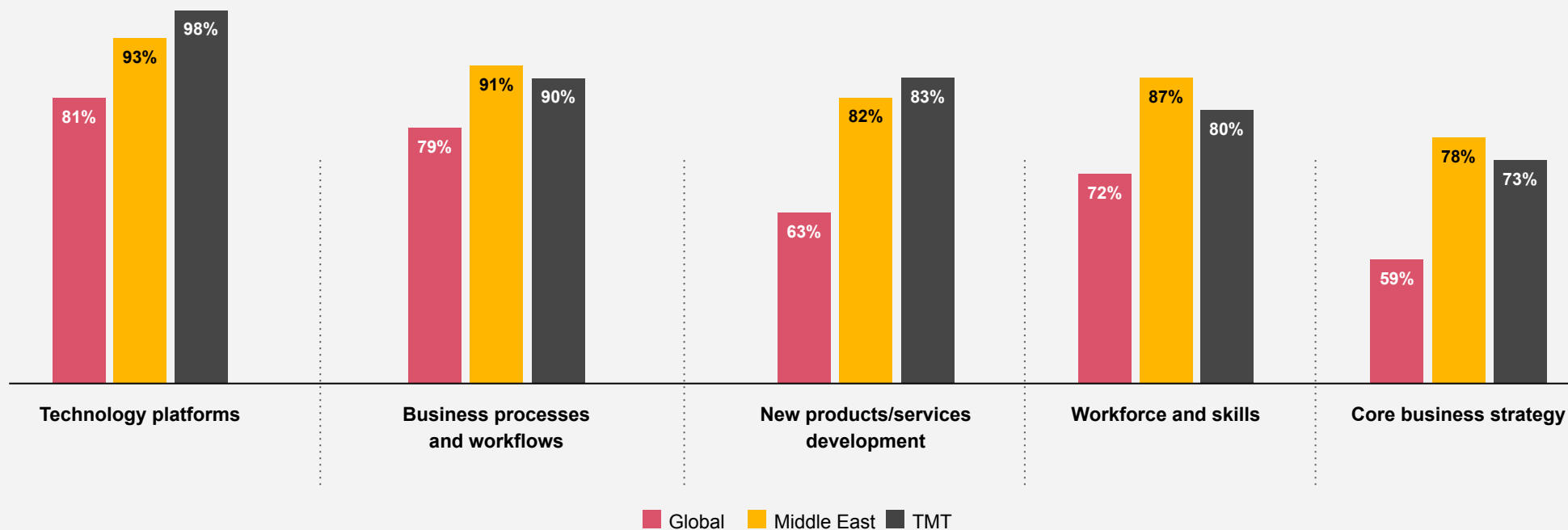
Middle East and Global refers to cross-industry response data.



Priority 2: Continue to push the boundaries with GenAI

Strategic decisions such as changes to the pricing model have supported revenue growth across the technology, media and telecommunications sector in the Middle East in recent years, but GenAI is seen as a major enabler of reinvention. Technology, media and telecommunications CEOs in the region have expressed high levels of AI adoption at their companies, with 88% having adopted the technology in the past 12 months (the highest level of all sectors alongside consumer markets). Looking ahead, 68% are expecting it to increase their profitability within the next year. CEOs in the industry will continue to embrace AI as a key tool of reinvention - 73% expect AI to be systematically integrated into their core business strategy over the next three years, while 83% will use it for new product and service development and 98% will integrate it across all technology platforms. But in a fast-moving environment it's essential to ensure effective and appropriate use of GenAI.

Q. To what extent do you predict AI (including generative AI) will be systematically integrated into the following areas in your company in the next three years

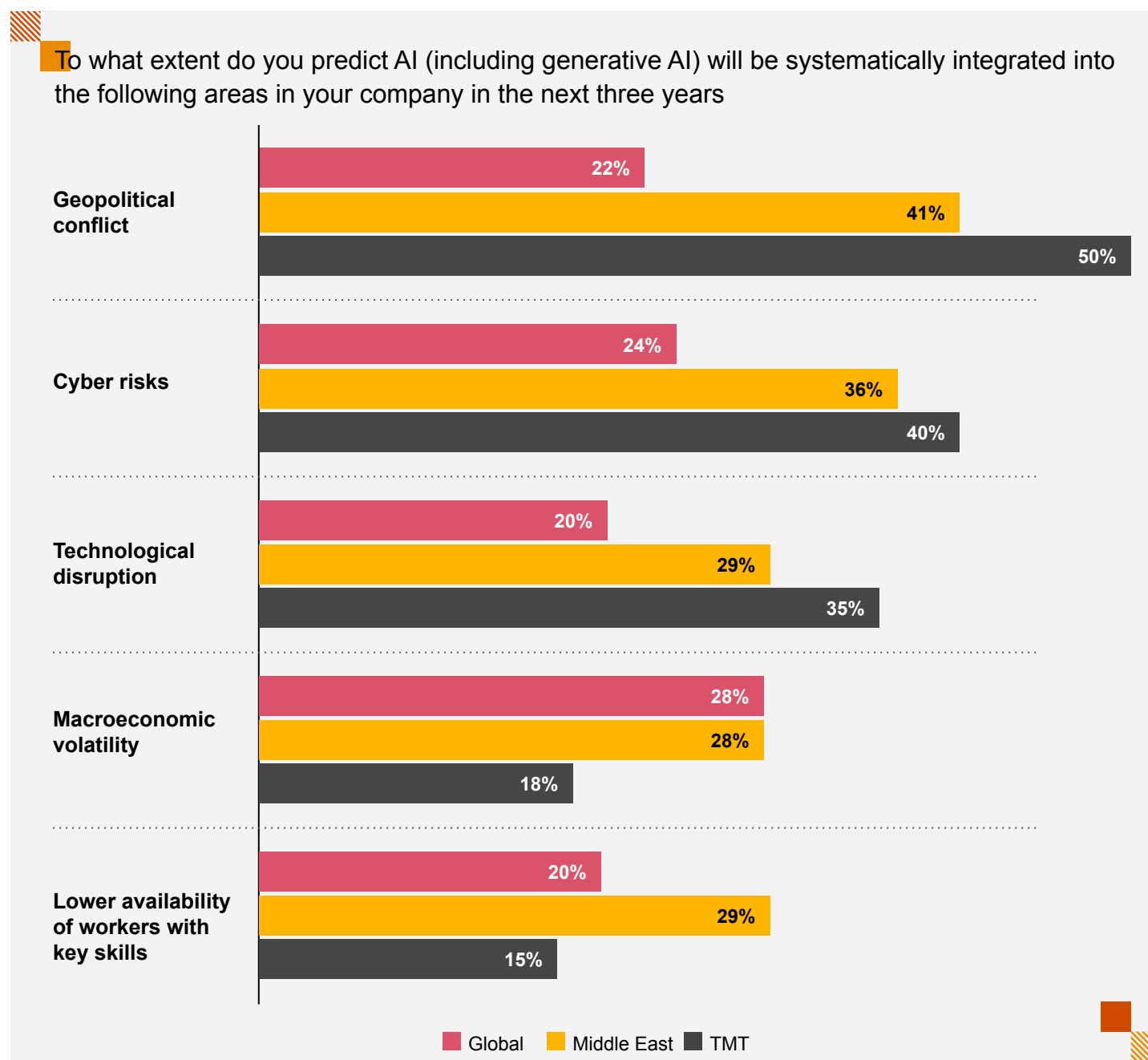


Note: Percentages may not total 100% due to rounding.

Priority 3: Plan for multiple external and internal threats

CEOs across the region face a wide range of highly disruptive internal and external threats. Half of technology, media and telecommunications CEOs cited geopolitical conflict as the most serious threat to their company in the coming 12 months, but are also aware of growing cyber-related risks and ongoing technology disruption.

In order to remain trusted and competitive in their sector, CEOs will need to stay especially vigilant to emerging digital threats in the year ahead.

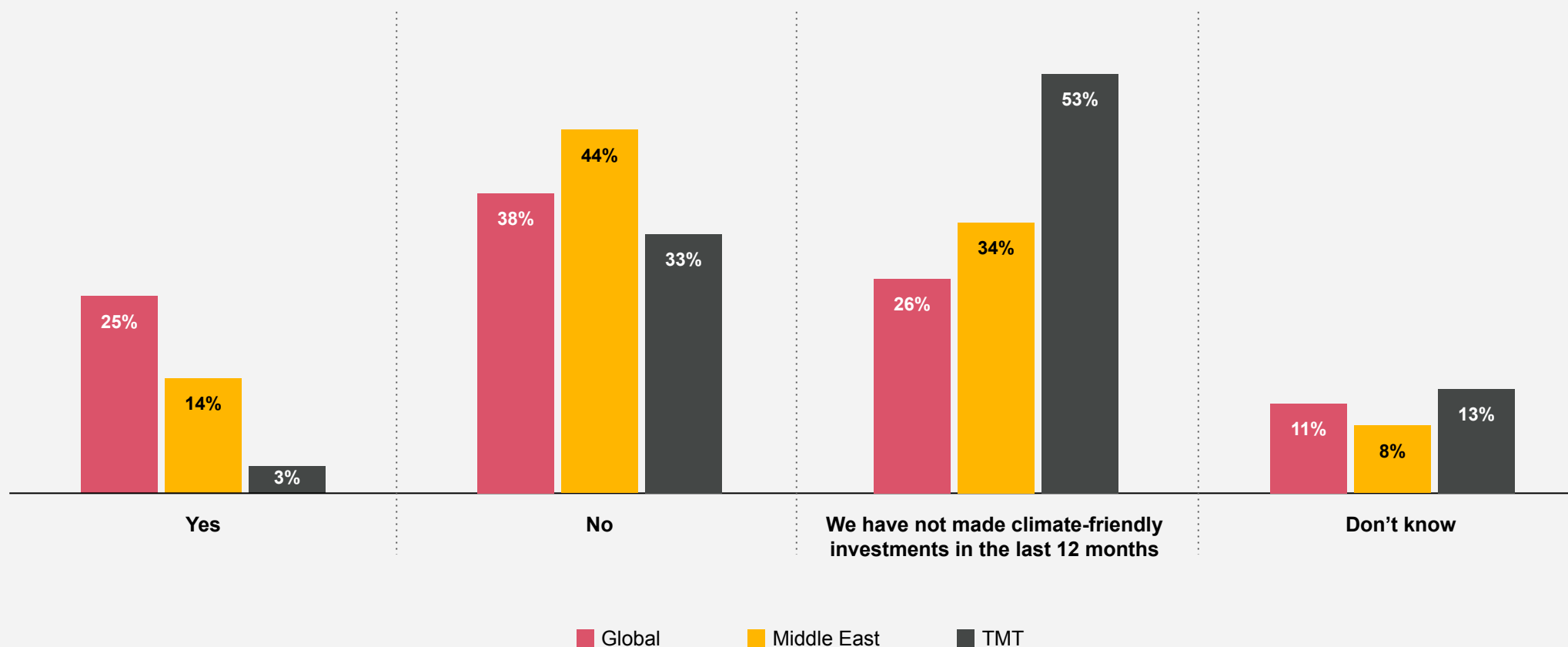


Note: Percentages may not total 100% due to rounding.

Priority 4: Track growing demands around sustainability

While the technology, media and telecommunications sector is playing an important role in driving the sustainability agenda in the region, they are the least likely of all industries in the Middle East both to have initiated climate-friendly investments in the last 12 months (68%) and also to accept a lower rate of return for climate-friendly investments (3%). Sustainability remains an important driver of reinvention, and technology, media and telecommunications CEOs should seek out the opportunities to use sustainability strategies to capture new value and decarbonise their businesses.

Share of CEOs that 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



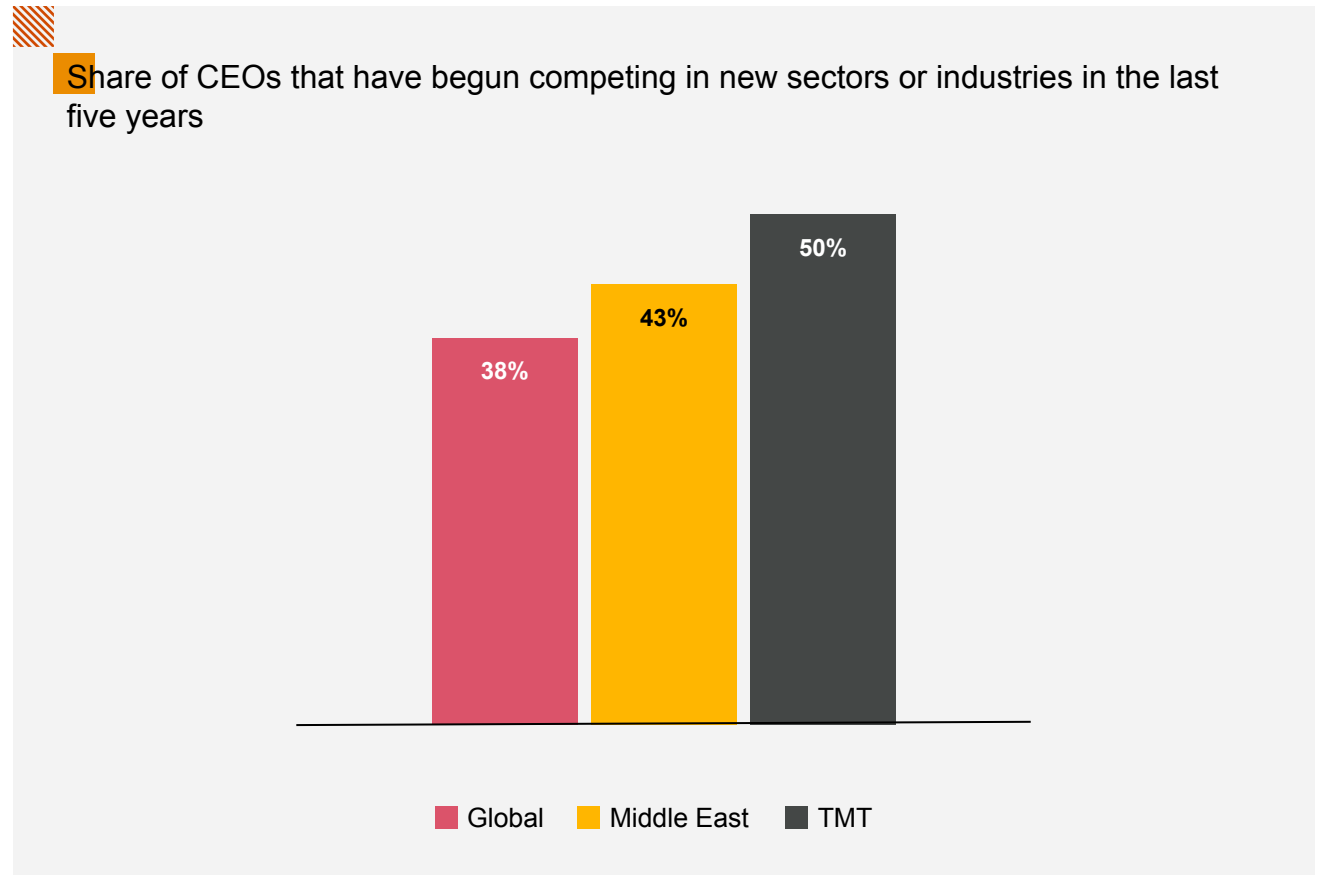
Note: Percentages may not total 100% due to rounding.

Priority 5: Explore opportunities beyond traditional boundaries

Emerging technology is encouraging industry convergence as companies across all sectors seek to partner with tech companies and other innovators.

This is seen clearly in the technology, media and telecommunications sector, where half of CEOs say they have entered sectors or industries that are new to them in the past five years – the highest proportion of any sector.

Carefully thought-through partnerships, collaborations and acquisitions will help CEOs access new technology, skills, markets and customers.



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



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