



28th Annual Global CEO Survey

Reinvention on the edge of tomorrow

Annual Global CEO Survey –
findings for North Macedonia
March 2025



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Reinvention on the edge of tomorrow

The results of the PwC's 28th Annual Global CEO Survey show that CEOs in North Macedonia and the region initiated investing in GenAI, made sustainable investments and started taking actions towards reinventing their operations and business models to create value in new ways. However, not all CEOs are moving with the same pace. Many are still moving slowly, constrained by leadership mindsets and processes that lead to inertia.

This latter group has two options: speed up their efforts to transform their business models, operations, and strategies to stay competitive and relevant in the face of these changes or take the risky road and make only minor adjustments to their current business models, hoping that these small changes will be enough to continue achieving success despite the significant shifts happening in the economy.

Two defining issues: AI and Climate change

Examining two megatrends that will shape the future of business and society, and fuel reinvention in the decade to come.

1. Early returns on GenAI
2. Upside from climate action

Business as (un)usual

Exploring the near-term opportunities, threats and evolving competitive dynamics faced by companies today.

3. Outlook & threats
4. Ramping-up reinvention
5. The great reconfiguration

Continual reinvention

Outlining key actions that will enable companies to thrive even as the business context changes rapidly.

6. Pay attention to decision quality
7. Reallocate to reinvent
8. Build trust for a new era
9. Beware the tenure trap

Two defining issues: AI and Climate change

Examining two megatrends that will shape the future of business and society, and fuel reinvention in the decade to come.

1. Early returns on GenAI

- More than half of CEOs globally and regionally say that GenAI has increased efficiencies in how employees use their time, while around one third report increased revenue and profitability arising from the technology.
- Expectations about the impact on profitability for the year ahead are similar to last year with about half of CEOs expecting an increase.
- In terms of the impact on jobs, 13% of CEOs globally and 9% in regionally say they reduced headcount over the last 12 months because of GenAI, yet a slightly higher percentage (17% - globally and 13% - CEE) report increased headcount.

Our take: GenAI is in its early stages and just starting to be adopted in business. CEOs must stay focused amid the initial excitement. Capturing GenAI's productivity potential will soon be essential in many industries. This requires a systematic approach to implementation, data readiness, integration into tech platforms and workflows, and building workforce skills. These steps will position organizations to seize bigger opportunities, whether transforming specific functions or making dramatic business model changes. The impact of GenAI will vary by sector, but its disruptive potential is high.

2. Upside from climate action

- Two-thirds of CEOs reported that climate-friendly investments had either reduced costs or had no significant impact.
- Local CEOs are reluctant to accept lower interest rates on climate-friendly investments, despite regulatory and social trends. Sustainable investments are more likely to be accepted if they offer competitive interest rates.

Our take: To create value from sustainability, CEOs in North Macedonia (NM) need to bring more climate-friendly products, services and technologies to market, while gearing towards sustainable investments. Even if these investments offer lower interest rates, by prioritizing the environment, companies can also enhance their reputation, attract eco-conscious consumers, and potentially benefit from future regulatory incentives.

Local CEOs should also review their company's resource use and energy consumption. Energy sector is going through significant changes. Many organisations start to play the role producer-consumer. They still purchase electricity from the grid but also produce it, store it and sell it. Finally, local CEOs should prioritize implementing a data strategy for sustainability. This will help meet new reporting requirements and provide valuable insights for better decision-making across the business.

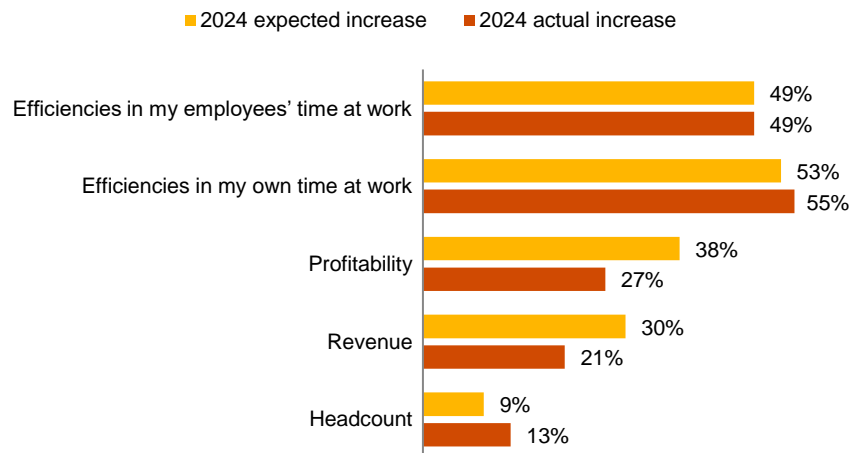
1. Early returns on GenAI

Even though GenAI's 2024 impacts didn't fully meet CEOs' high expectations globally and regionally, their optimism remains strong

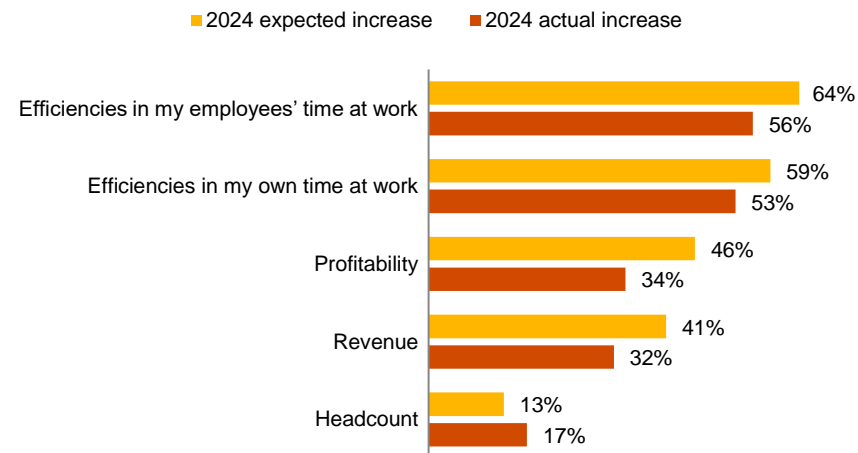
Q. To what extent did generative AI* increase or decrease the following in your company in the last 12 months?

The data for NM is not shown because fewer than 30 local CEOs responded to this survey question, suggesting that the adoption of generative AI by local companies in the past year may be minimal.

CEE



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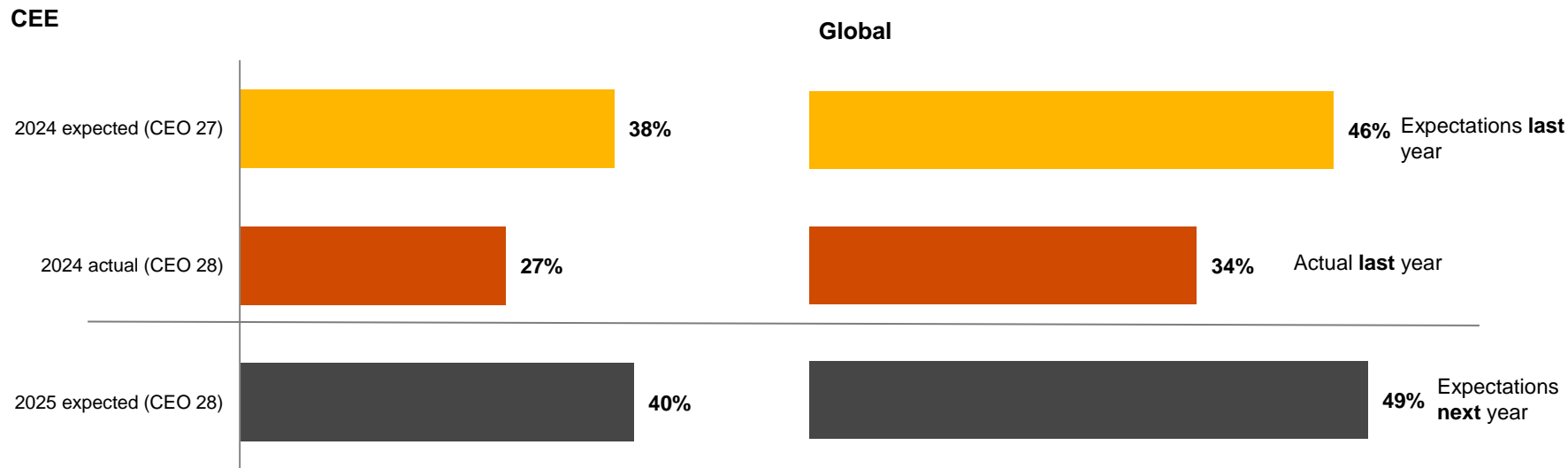
*Generative AI is a type of artificial intelligence that can create, enhance, summarise and analyse unstructured data such as text, code and images.
Base: All respondents (3916) CEE (128)

1. Early returns on GenAI

Global and regional CEOs are expecting increased profitability from generative AI in 2025, despite actual increases in 2024 being slightly below expectations

Q. To what extent will generative AI* increase or decrease the profitability in your company in the next 12 months?

The data for NM is not shown because fewer than 30 local CEOs responded to this question. This indicates that, due to the limited adoption of generative AI among local companies they may not feel they can accurately evaluate its impact on profitability.



*Generative AI is a type of artificial intelligence that can create, enhance, summarise and analyse unstructured data such as text, code and images.

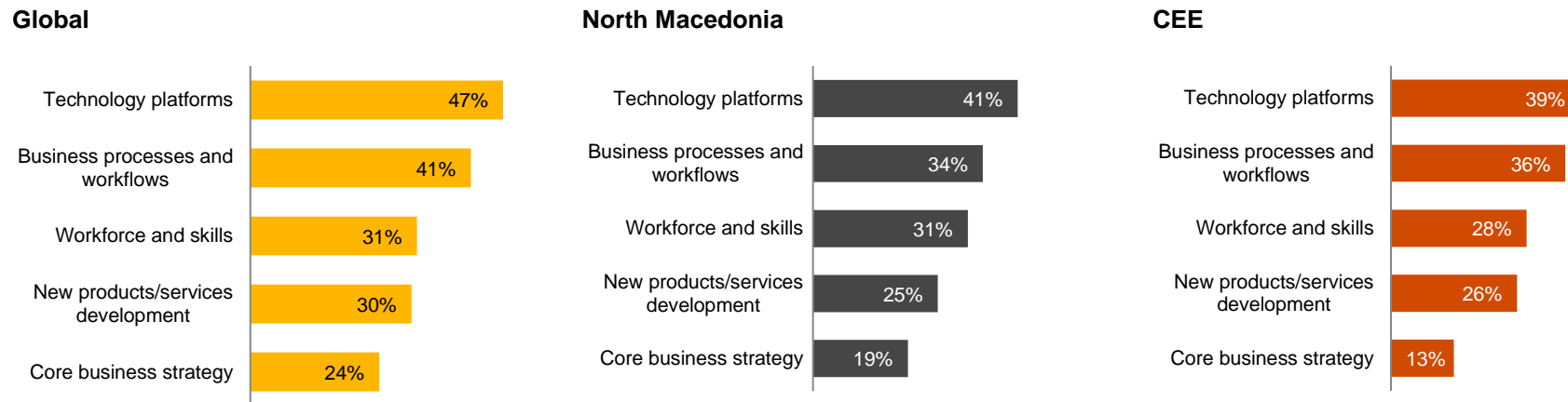
The presented charts relate to the percentage of total CEOs that expect increased profitability with generative AI each year.

Base: All respondents (4089) CEE (125)

1. Early returns on GenAI

Local CEOs are in line with their global counterparts, with almost half of them reporting plans to integrate AI into tech platforms in the next three years, but only one third aim to integrate AI into workforce and skills strategy

Q. 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?



CEOs prioritize integrating AI into technology platforms and workflows. However, GenAI's potential depends largely on employees knowing when and how to use AI tools effectively and understanding their potential pitfalls. Without proper training, the full potential of AI integration into technology platforms may not be realized.

Base: All respondents (4701) CEE (153) North Macedonia (32)

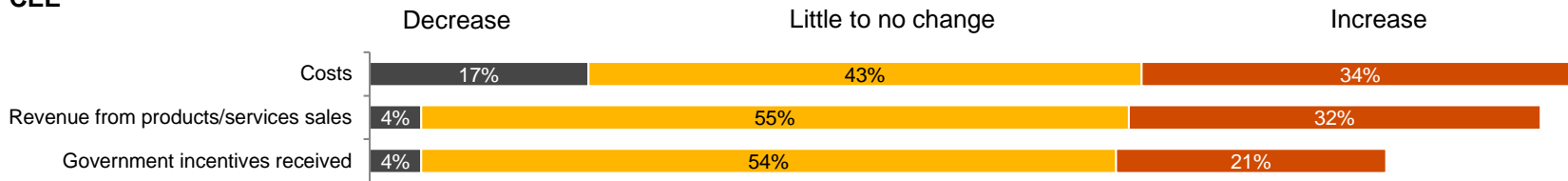
2. Upside from climate action

Around two-thirds of global and regional CEOs report that climate-friendly investments have either reduced costs or had no significant impact in the past five years

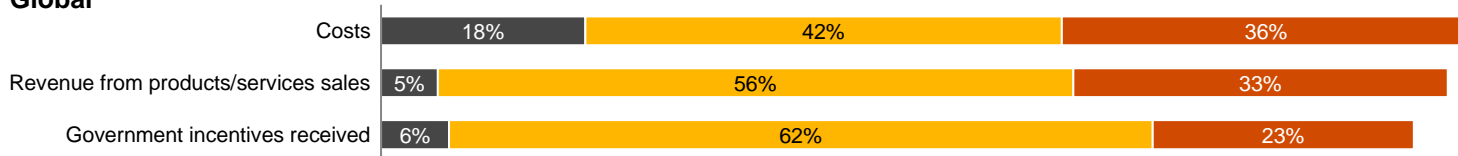
Q. To what extent, have climate friendly investments* initiated by your company in the last five years caused increases or decreases in the following?

The data for NM is not shown because fewer than 30 local CEOs responded to this survey question, indicating that there may have been minimal initiation of climate-friendly investments by local companies over the past five years.

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The benefits and costs of climate-friendly investments are not evenly distributed, as they are influenced by varying incentives and regulations in different countries. However, when we adjust for geographical and other factors, we find that these investments are associated with higher profit margins.

*Climate-friendly investments: Examples of climate-friendly investments include transitioning to energy-efficient operations, developing greener products and services, and implementing emission-reducing technologies.

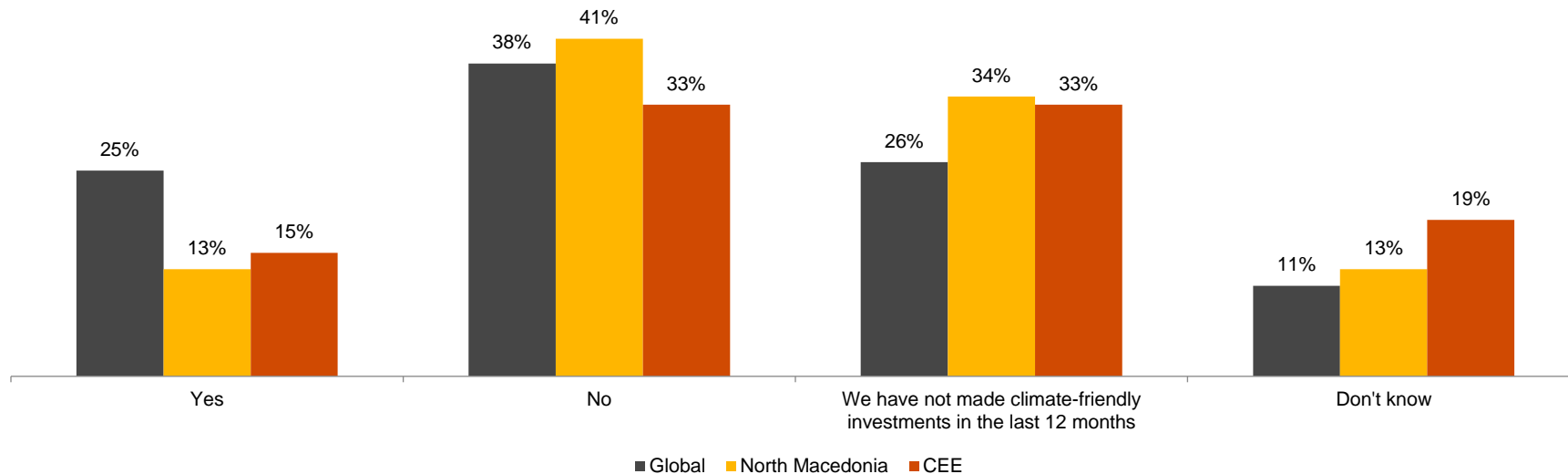
Base: All respondents whose companies have initiated climate-friendly investments in the last five years (3991) CEE (153)

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2. Upside from climate action

Less than a fifth of local CEOs have accepted climate-friendly investments, offering interest rates lower to their business' minimum

Q. In the last 12 months, has your company accepted rates of return for climate-friendly investments* that were lower than the minimum acceptable rate of return your company uses for other investments?



*Climate-friendly investments: Examples of climate-friendly investments include transitioning to energy-efficient operations, developing greener products and services, and implementing emission-reducing technologies.

Base: All respondents whose companies have initiated climate-friendly investments in the last five years (3991) CEE (153) North Macedonia (32)

Business as (un)usual

Exploring the near-term opportunities, threats and evolving competitive dynamics faced by companies today.

3. Outlook & threats

- 81% of CEOs in North Macedonia and almost 60% of its global and regional peers expect global growth to increase over the next 12 months.
- 69% of local CEOs expect economic growth to improve in North Macedonia, and 64% of CEOs in the CEE region expect economic improvement in the region.
- In terms of near-term threats, inflation and lack of skilled labour remain top concerns in North Macedonia.
- Contrary to their global and regional peers, CEOs in North Macedonia are more impacted by the lack of availability of workers with key skills.

Our take: Considering the connections between threats that could amplify their impacts, many critical supply chains are vulnerable both to extreme weather events and to geopolitical rivalries. Equally, the link between geopolitics and cyber risk is increasingly evident. More than ever, systematic thinking is needed to anticipate what may lie ahead.

4. Ramping-up reinvention

- CEOs had taken at least one significant action to reinvent their business model, with the most common actions being product/service innovation.
- Unlike their global and regional peers, CEOs in North Macedonia have undertaken more challenging actions, such as pioneering new market routes, implementing innovative pricing models, and collaborating with other organizations to create new ecosystems.

Our take: The road to reinvention starts with customers. A determined effort to refocus on unmet needs, pain points and every other aspect of the customer experience can catalyse innovation. CEOs should also look for external triggers that might arise quickly and create new customer needs, such as the rise of GenAI. CEOs should also be on the lookout for indicators that their industry is ripe for reinvention, including the arrival of new market entrants, a rise in venture capital investment or a rapid redistribution of market share among incumbents.

5. The great reconfiguration

- Half of CEOs in North Macedonia say that their companies have started to compete in at least one new sector in the last five years.
- For CEOs in the region, sectors attracting most new competitors from other industries are real estate, business services and transportation and logistics, whereas for CEOs globally, most attractive are business services, health services and consumer.

Our take: Industry reconfiguration is likely to accelerate in the decade to come. Megatrends like climate change and AI, evolving customer needs, shifting value pools, and the roles that their company will play need to be considered. New expertise in the executive team may also be needed. Navigating industry reconfiguration is a job for the top team, with strong support from the board.

3. Outlook & threats

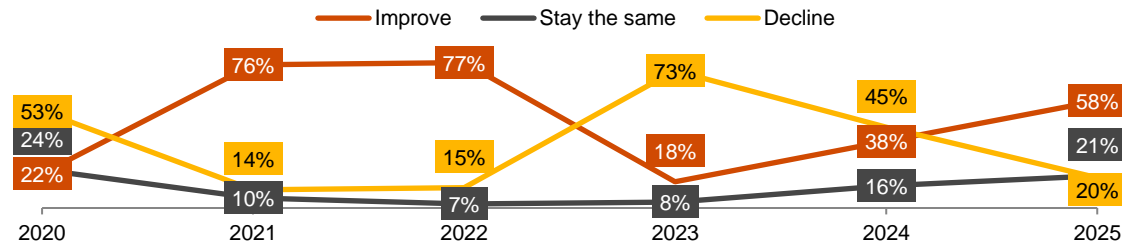
Optimism about global economic growth has risen steadily since its 2023 low, with CEOs in North Macedonia and the region aligning with their global counterparts in this positive outlook

Q: How do you believe economic growth (i.e. gross domestic product) will change, if at all, over the next 12 months in the global economy?

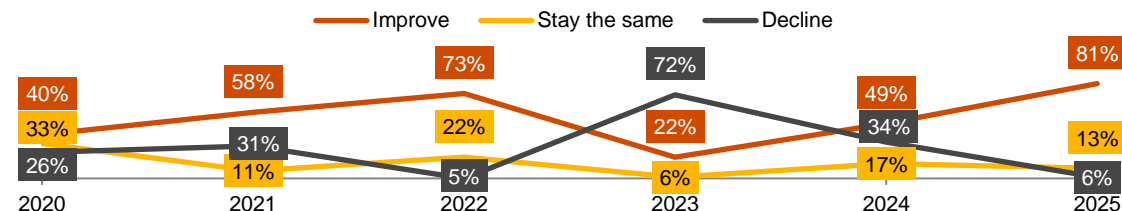
Base: All respondents (4701) CEE (153) North Macedonia (32)

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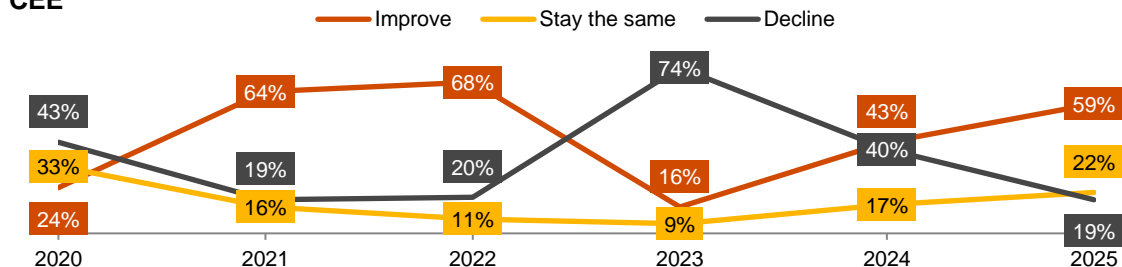
Global



North Macedonia



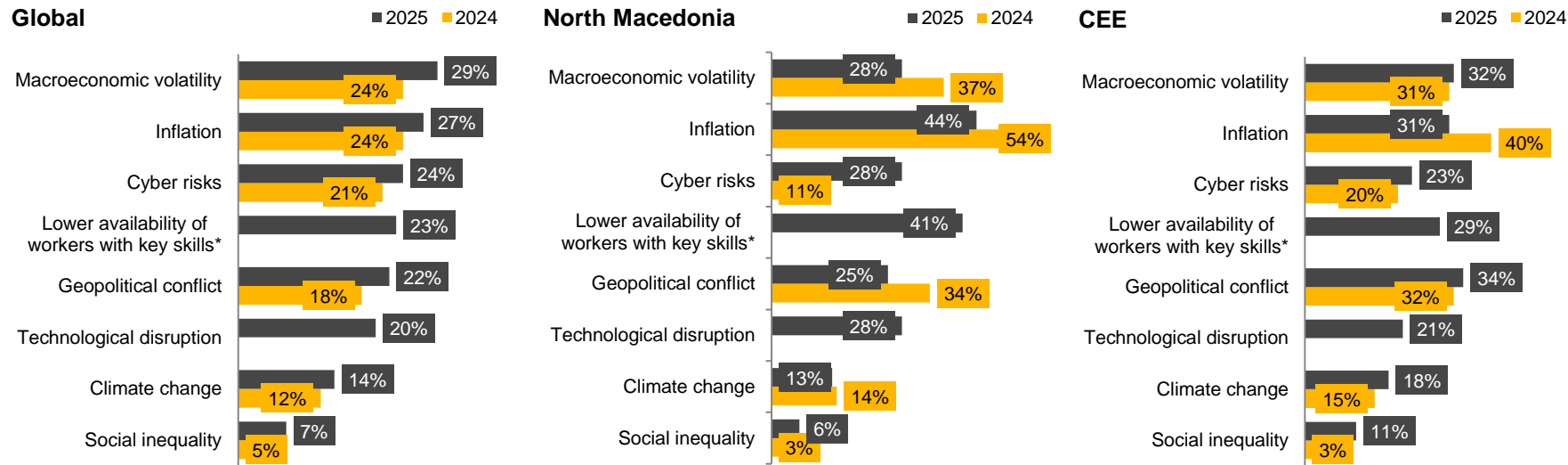
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3. Outlook & threats

In contrast to their global and regional peers, CEOs in North Macedonia identify inflation and a lack of skilled labour as the primary near-term economic threats

Q. How exposed do you believe your company will be to the following key threats in the next 12 months?



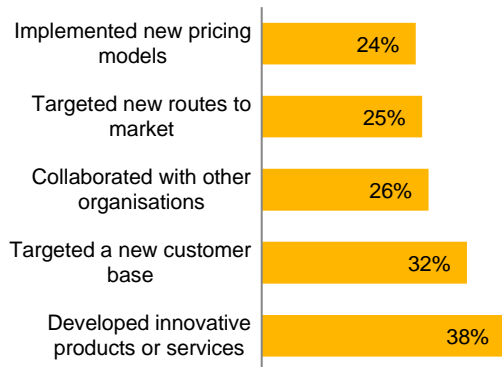
*Technological disruption and lower availability of workers with key skills are new options for 2025
The presented charts are showing % 'highly exposed' and 'extremely exposed' to significant financial loss
Base: All respondents (4701) CEE (153) North Macedonia (32)
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4. Reinvention pressure

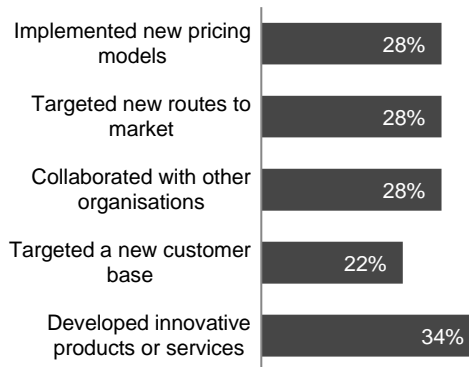
Product and service innovation is the top reinvention action taken over the last five years

Q. To what extent has your company taken the following actions in the last five years?

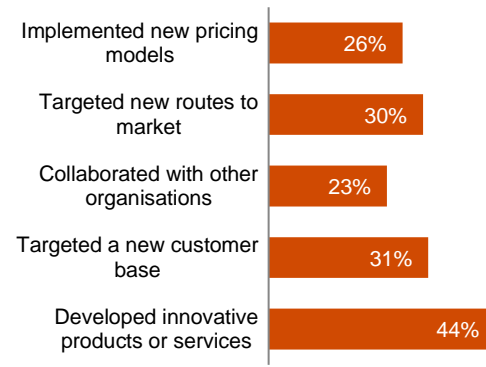
Global



North Macedonia



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Unlike their global and regional peers, CEOs in North Macedonia have focused on the more challenging route, such as pioneering new market routes, implementing innovative pricing models, and collaborating with other organizations to create new ecosystems.

Base: All respondents (4701) CEE (153) North Macedonia (32)

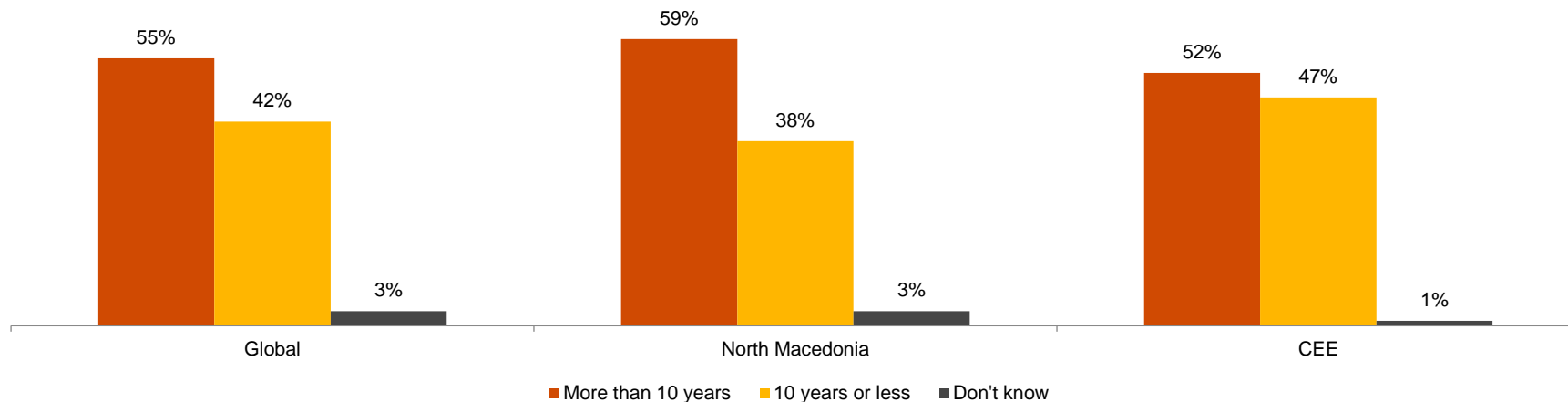
The presented charts are showing % for which indicated actions have been taken 'to a large extent' and 'to a very large extent'

4. Ramping-up reinvention

Expectations among CEOs in North Macedonia are that the current business plans remain successful for their respective firms

Q. If your company continues running on its current path, for how long do you think your business will be economically viable?

Expected viability of current business model

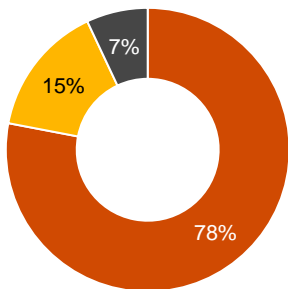


4. Ramping-up reinvention

CEOs cite that less than 10% of revenue have come from fundamentally distinct businesses

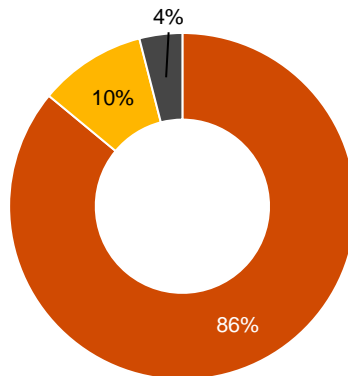
Q. What portion of your company's revenue in the last five years came from each of the following sources?

Global



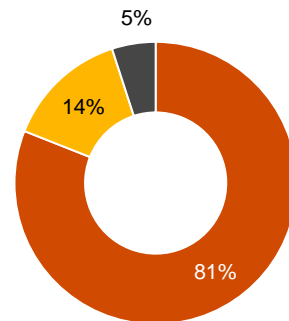
- Core business
- Extensions to core business
- Fundamentally distinct business(es)

North Macedonia



- Core business
- Extensions to core business
- Fundamentally distinct business(es)

CEE



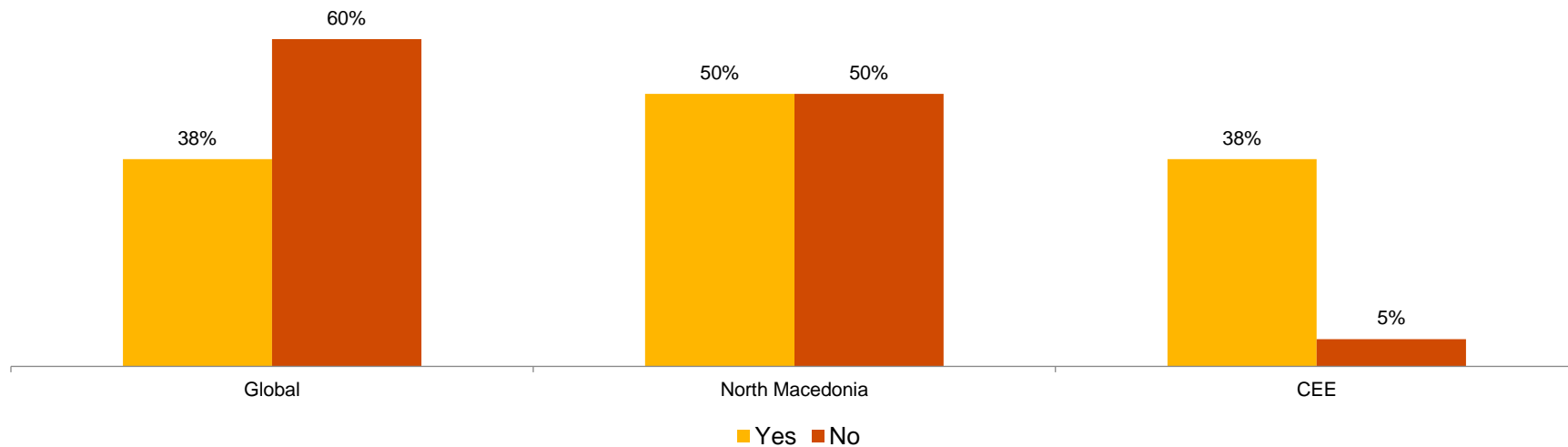
- Core business
- Extensions to core business
- Fundamentally distinct business(es)

Base: All respondents (4701) CEE (153) North Macedonia (32)
The presented charts are showing mean values

5. The great reconfiguration

Half of CEOs in North Macedonia state that their company has begun competing in new sectors in the last five years

Q. In the last five years, has your company begun competing in any sectors or industries in which it hadn't previously competed?



Continual reinvention

Outlining key actions that will enable companies to thrive even as the business context changes rapidly.

6. Pay attention to decision quality

- When making strategic decisions, less than 20% of CEOs in North Macedonia usually include information that could contradict the investment hypothesis.
- Similarly, about 60% of CEOs in North Macedonia usually judge strategic decisions based on outcomes, not the quality of the process.
- Stronger decision-making processes are associated with higher profit margins.

Our take: Everyday decisions often require quick action, but substantial evidence shows that thorough decision-making processes generally lead to better outcomes. When the process of making decisions is robust and clear, it helps leaders and teams act decisively and confidently, rather than hesitating or delaying. This is because a strong decision process provides the necessary clarity and confidence to move forward with actions.

7. Reallocate to reinvent

- About half of CEOs globally and regionally told us that they reallocate 10% or less of financial and human resources from year to year.
- Our analysis shows that higher levels of reallocation across projects and businesses is associated with increased profit margins and more revenue from new businesses.

Our take: Cognitive biases, like anchoring (relying on last year's budget numbers) and naïve diversification (equally allocating resources across available options instead of strategic weighting investments), might explain why companies hesitate to reallocate resources. CEOs should design budgeting methods that minimize the influence of these biases.

8. Build trust for a new era

- One third of CEOs in North Macedonia have a high degree of trust in having AI embedded into key business processes compared to their regional colleagues.

Our take: CEOs in North Macedonia should embrace GenAI's potential while also taking steps to manage risks. We recommend addressing the potential societal impacts of GenAI early, by, for example, tracking the impact of adoption on company carbon emissions. While it can create efficiencies that reduce emissions, the energy required to train and deploy these models can also increase emissions. By monitoring these impacts, CEOs in North Macedonia can make more informed decisions and develop strategies to balance the benefits of GenAI with its environmental costs.

9. Beware the tenure trap

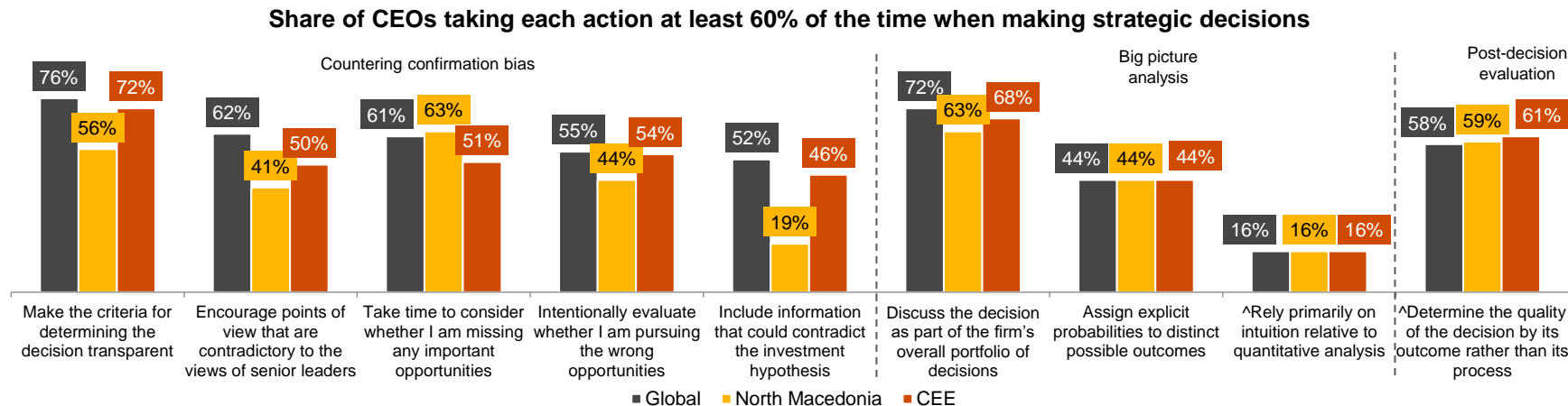
- Despite pressure to reinvent their business models for the long-term, most CEOs expect to remain in their role for five years or less.

Our take: Our data hints at an important cognitive challenge facing many CEOs at this decisive moment: running the company 'as if' they will be in role for a decade, even if their likely tenure is much shorter. Equally, it speaks to a governance challenge for boards: supporting and enabling the top team to take a long view.

6. Pay attention to decision quality

Many CEOs are not regularly using the full suite of best practices in their strategic decision-making

Q. When making strategic decisions*, how often do you take the following actions?



While judging strategic decisions by outcomes makes sense, external factors often influence these outcomes. CEOs miss opportunities by not adhering to best decision-making practices

^Reverse coded

*Strategic decisions are important decisions that involve commitment of significant resources and that affect long-term profitability and growth

Base: All respondents (4701) CEE (153) North Macedonia (32)

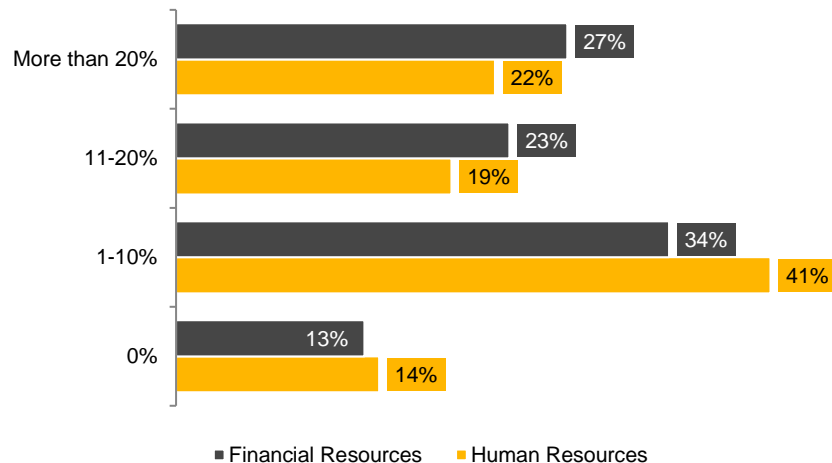
6. Pay attention to decision quality

Around half of global and regional companies reallocate no more than 10% of financial and human resources from year to year

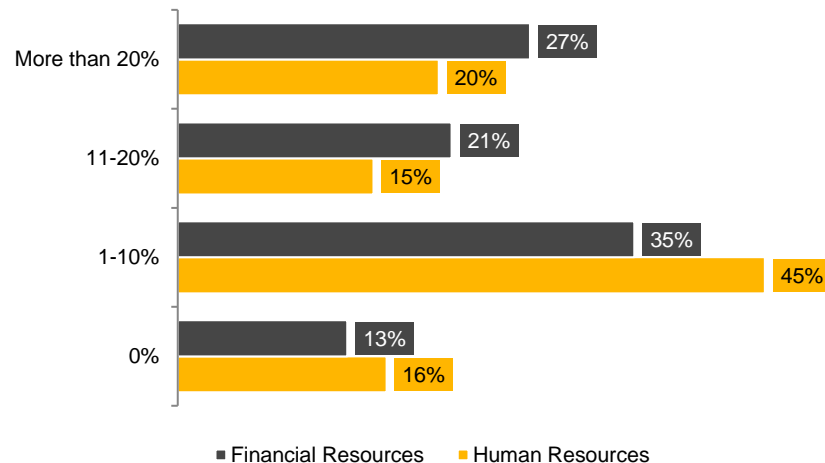
Q. What portion of your company's financial and human resources did you and your management team relocate across your business units between the last fiscal year and the current fiscal year?

The data for NM is not shown because fewer than 30 local CEOs responded, suggesting stable resource allocation or single business unit structures in many companies.

Global



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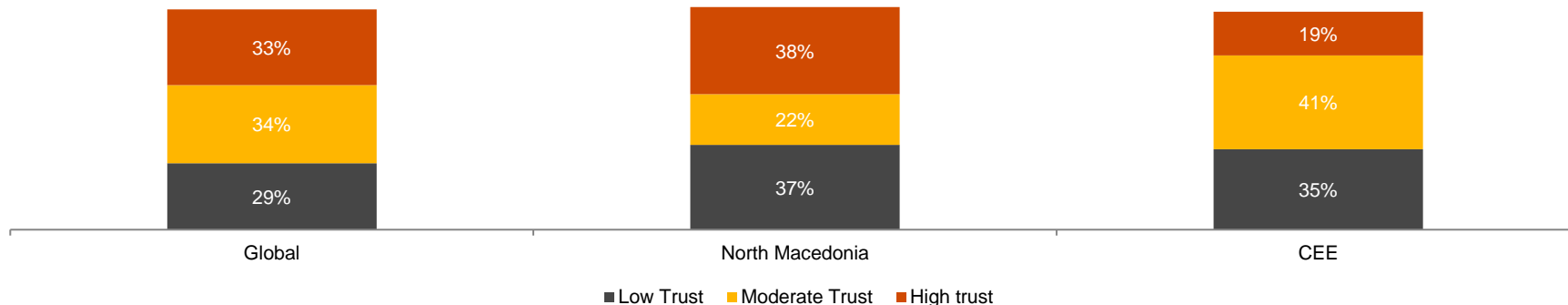
Base: All respondents (3747) CEE (110)

8. Build trust for a new era

A third of global and local CEOs have a high degree of trust in the integration of AI into key business processes

Q. To what extent do you personally trust having AI (including generative AI) embedded into key processes in your company?

Share of CEOs who personally trust having AI embedded into key processes in their company



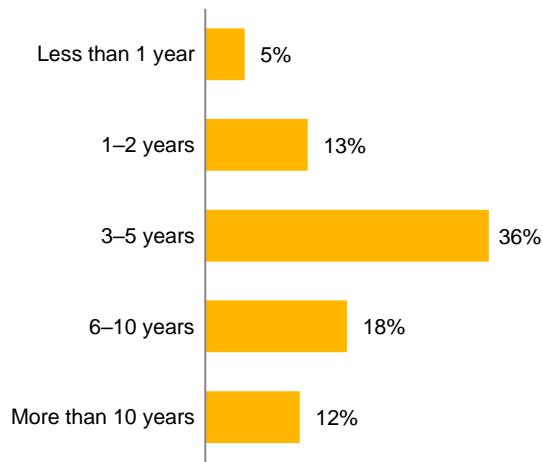
CEOs' opinions have significant consequences, so they should actively work to understand and address potential issues with GenAI. Embracing a pessimistic outlook is not the solution going forward.

9. Beware the tenure trap

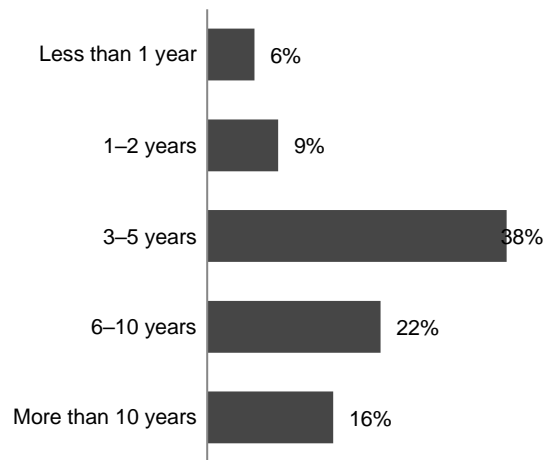
Despite pressure to reinvent their business models for the long-term, most CEOs expect to remain in their current role for 3-5 years

Q. How many years do you expect to remain in your current role?

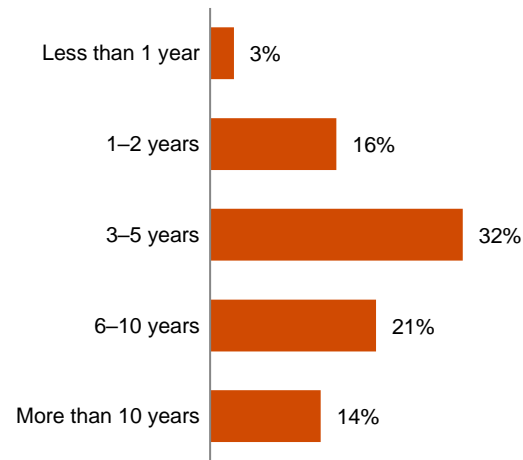
Global



North Macedonia



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Conclusion

What will the global economy look like in 2035? While there are many possible scenarios, all of them depend on how governments, corporations, and civil society respond to the threat posed by climate change and the historic opportunity presented by AI. By understanding how these two megatrends will reflect on the business, CEOs in North Macedonia will be able to make the right choices going forward, whether to reimagine their business models, their operations, and their uses of technology, energy, and other scarce resources.

CEOs in North Macedonia should strongly consider answering the following questions:

- Are you moving fast enough and with discipline to build AI (especially GenAI) into workflows and processes? As you do this, are you prioritising Responsible AI practices to safeguard stakeholder trust?
- What untapped opportunities exist to drive revenue growth and profitability by adding climate-friendly products and services to your portfolio?
- Do you have a clear view on the potential for your industry's structure and boundaries to shift—and how your company's operations, capabilities, and business model need to change—as technology and climate change create new opportunities and constraints?
- Are you investing enough in (and putting enough talent against) your biggest priorities? What process improvements could increase your pace of resource reallocation and the quality of your decisions?
- For CEOs with relatively short expected tenure: if you were going to be in the role for longer, what would you do differently?

This year's survey confirms that some CEOs in North Macedonia have already started to develop coherent answers to the above questions. The challenge for these CEOs is to keep up the momentum while staying aware of economic, geopolitical, and other risks.

For those CEOs who haven't started, it's not too late, but they are falling behind. They need to quickly understand changing customer needs and the competitive landscape and set clear priorities, reallocate resources effectively, and stay optimistic about the future.

Thank you.

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