



27th Annual Global CEO Survey

Thriving in an age of continuous reinvention

Global CEO Survey –
findings for North Macedonia
February 2024



Thriving in an age of continuous reinvention

The 27th CEO Survey results show that CEOs in North Macedonia are more optimistic this year compared to the last and are already taking some steps toward reinvention. Despite the increased optimism, local CEOs share the same concern with their global peers when it comes to the long-term viability of their business.

45% of global CEOs and **40%** of local CEOs answered they are not confident that their companies will survive more than a decade if they proceed on their current path. Faced with new challenges, CEOs in North Macedonia recognise the need to reinvent and deliver sustained outcomes for their shareholders and society.

To provide more details on the nature of the challenge and the opportunities associated with meaningful business reimagination, this year's report is organised around three themes:

The reinvention imperative

Reviews the state of the economy and the anxiety among some CEOs about the long-term viability of their business models.

1. An enduring imperative to reinvent
2. Pressures and threats

Looming existential change

Examines the status of two megatrends: climate change and technological disruption (exemplified here by generative AI) which are poised to compel further reinvention.

3. Planetary work in progress
4. The AI opportunity
5. The AI challenge

Your reinvention playbook

Outlines three essential actions to jumpstart continuous reinvention.

6. Turn barriers into opportunities
7. Recalibrate expectations for climate priorities
8. Keep your antennae out

The reinvention imperative

Reviews the state of the economy and the anxiety among some CEOs about the long-term viability of their business models

1. An enduring imperative to reinvent

- 40% of Macedonian respondents doubt their company's current trajectory will keep them viable beyond the next decade – down from 44% just twelve months earlier.
- Local CEOs expect improving global economic growth compared with the previous year. Contrary to the global peers, CEOs in North Macedonia have improved expectations for revenue growth of their business in comparison to last year's sentiment.
- North Macedonia increases its importance as a country influencing regional companies revenue growth, according to CEOs from Central Eastern Europe.

Our take: Technological disruption, climate change and other accelerating global megatrends continue to drive CEOs towards adaptation. CEOs in North Macedonia are driven by optimistic expectations for successful operations of their companies in the upcoming years, but compared to their regional and global peers appear to be overconfident that their current actions will guide their businesses on a viable course for the next decade. Awareness at all times for the potential threats is of highest importance for the CEO in maintaining a smooth journey on the long run.

2. Pressures and threats

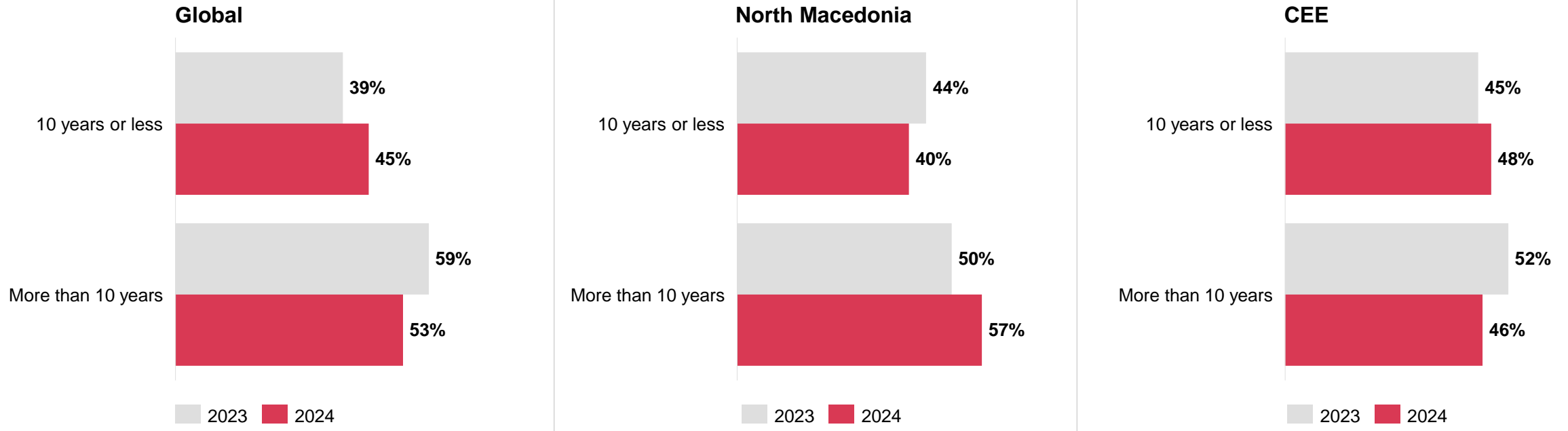
- Compared to the last 5 years, CEOs in North Macedonia expect changes associated with technology, customer preferences, competitors, and climate change, among others, to have a far larger impact on the way they create, deliver and capture value in the upcoming three years.
- In contrast, local CEOs perceive their businesses as less exposed to various short-term threats during the next 12 months, such as inflation, geopolitical conflict, and social inequality.

Our take: The notable increase in the pressure CEOs expect over the next 3 years from factors that influence business model change is another sign that the need to reinvent is rising. CEOs will need to consider what stakeholders really want and need – not just customers, but also suppliers, business partners, investors, regulators, and society at large.

1. An enduring imperative to reinvent

Local CEOs are in line with their global counterparts that the current trajectory of their business will not result in long-term sustainability

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

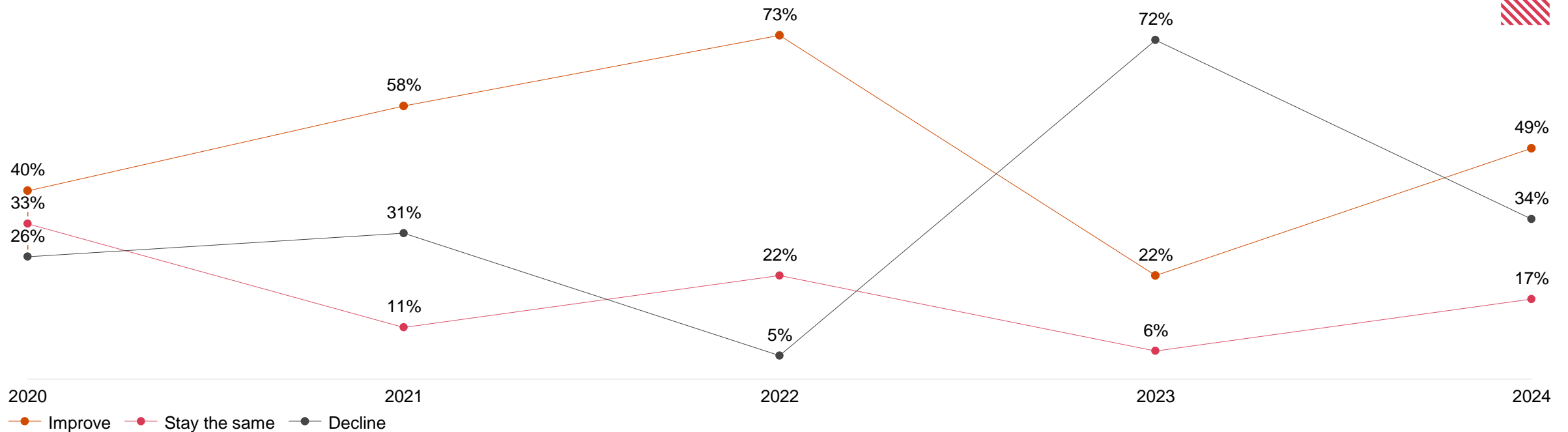


Notes:
Base: Global – all respondents; North Macedonia – all respondents; CEE – all respondents;
Source: PwC 27th Annual Global CEO Survey
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1. An enduring imperative to reinvent

Macedonian CEOs expect the global economy to improve this year compared to last year...

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

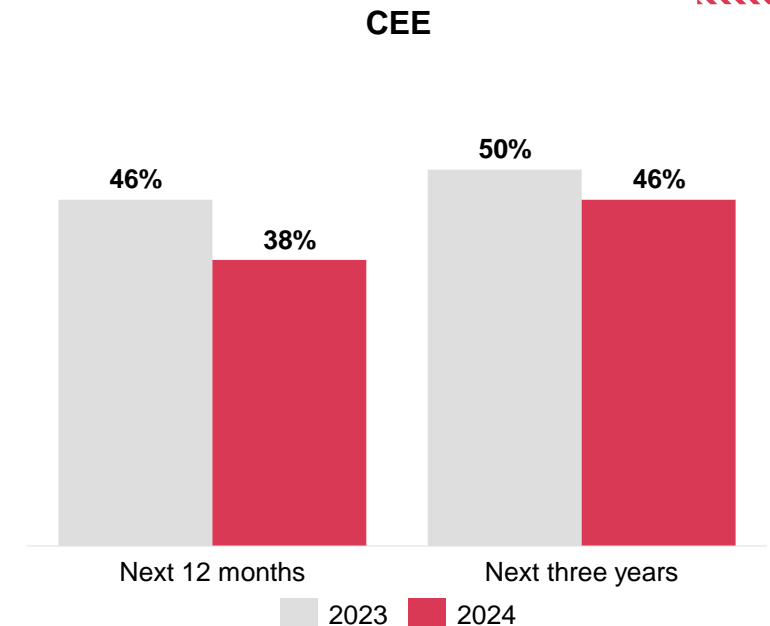
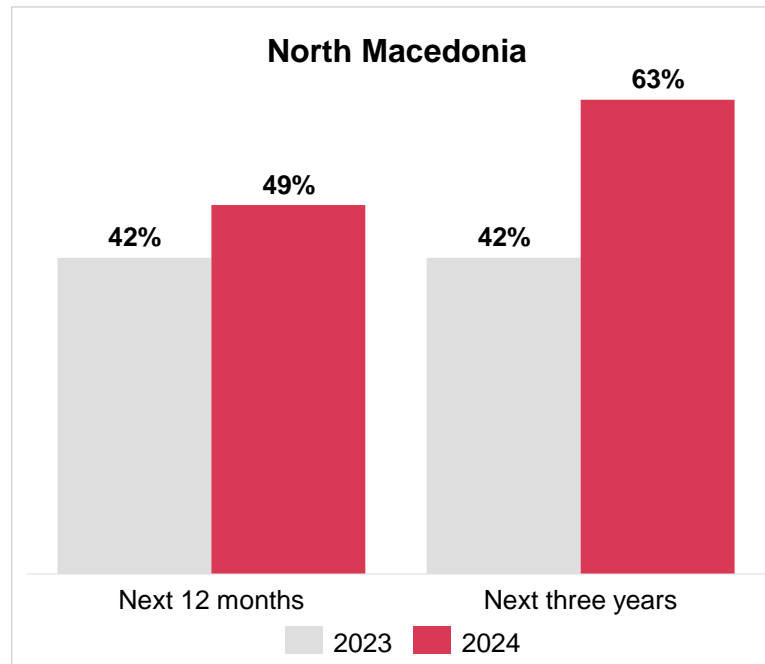
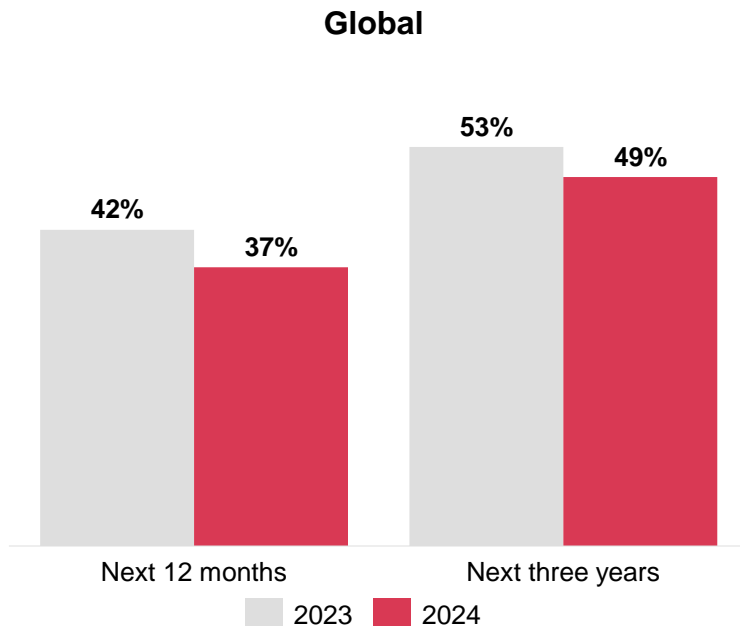


Notes:
Base: North Macedonia – all respondents
Source: PwC 27th Annual Global CEO Survey
PwC

1. An enduring imperative to reinvent

...and hold more optimistic expectations for the growth of their own revenue compared to global and regional CEOs

Q. How confident are you about your company's prospects for revenue growth over the next 12 months/next three years?



Notes:

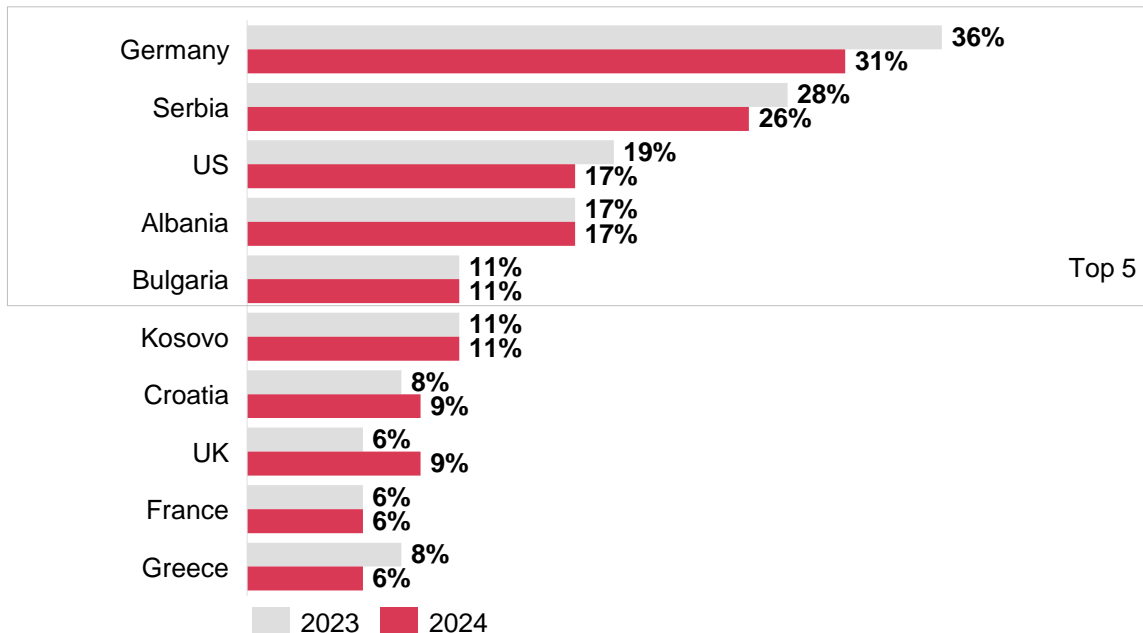
Base: Global – all respondents; North Macedonia – all respondents; CEE – all respondents;
Source: PwC 27th Annual Global CEO Survey

1. An enduring imperative to reinvent

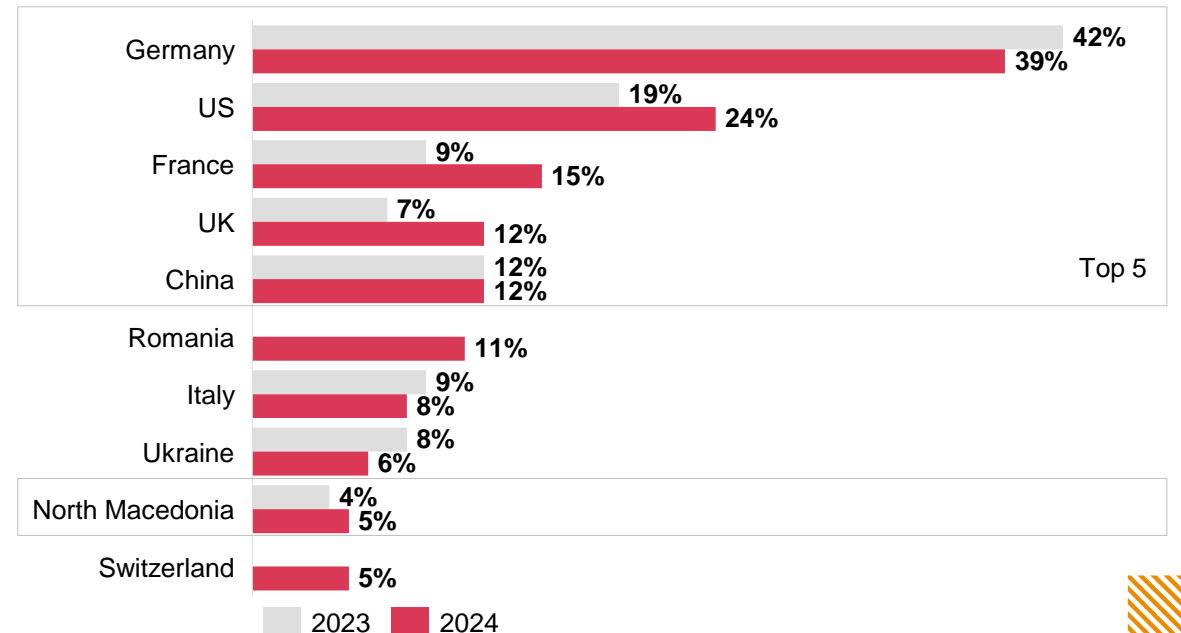
North Macedonia is increasing its significance as a trading partner to the CEE region

Q. Which countries/territories, excluding the country/territory in which you are based, do you consider most important for your company's prospects for revenue growth over the next 12 months?

North Macedonia



CEE



Notes:
 Base: CEE – all respondents; North Macedonia – all respondents;
 Source: PwC 27th Annual Global CEO Survey
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2. Pressures and threats

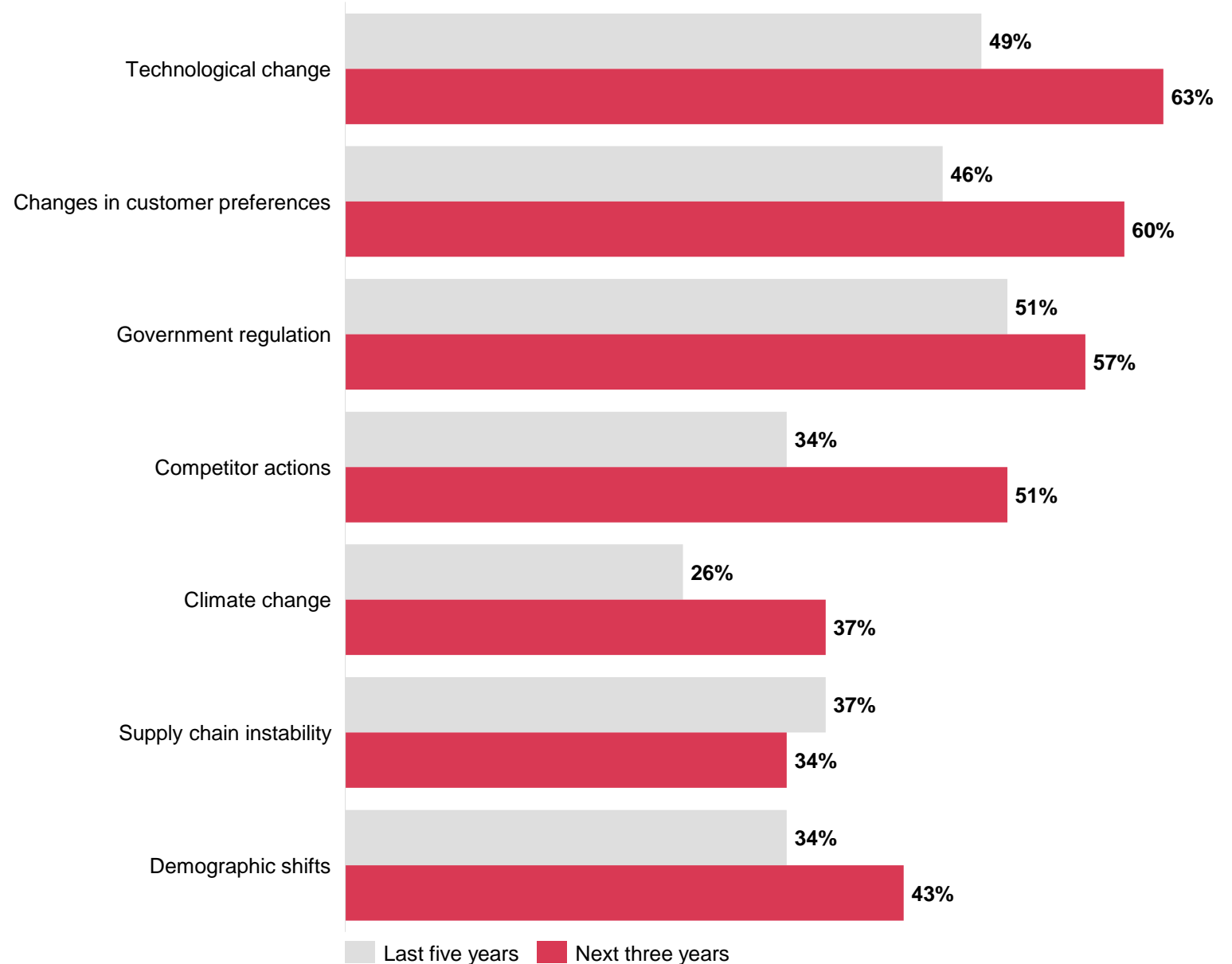
Although local CEOs anticipate a greater need for reinvention in the next three years compared to the last five...

Q. Please indicate the extent to which the following factors have driven changes to the way your company creates, delivers and captures value in the last five years/next three years

(Showing only 'to a large extent' and 'to a very large extent' responses)



Notes:
Base: North Macedonia – all respondents
Source: PwC 27th Annual Global CEO Survey
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2. Pressures and threats

...they perceive risks are going to be lower in the next 12 months than they were a year ago

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

(Showing only 'highly exposed' and 'extremely exposed' responses)



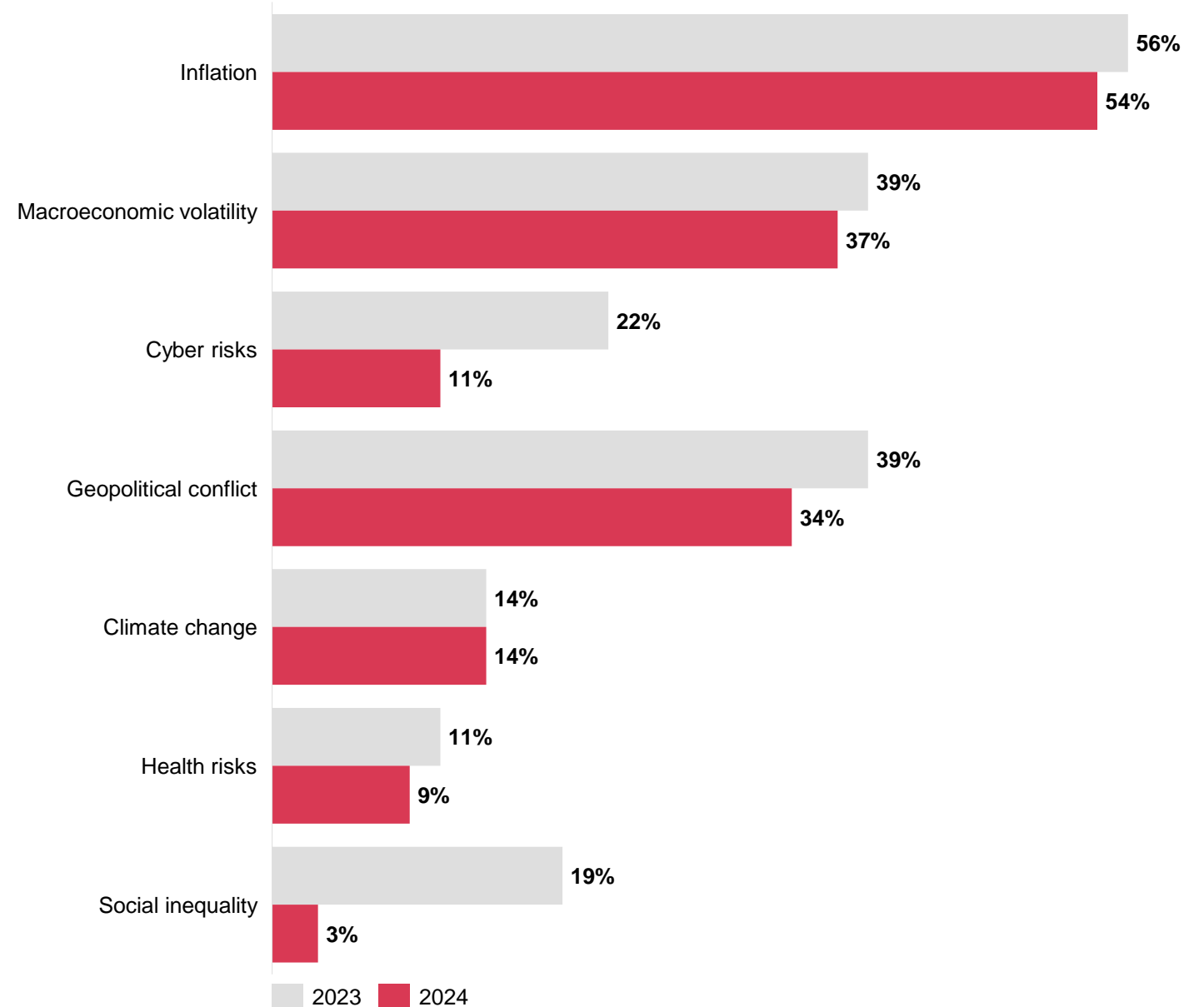
Notes:

***Exposure** is defined as probability of significant financial loss

Base: North Macedonia – all respondents

Source: PwC 27th Annual Global CEO Survey

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Looming existential change

Examines the status of two megatrends: climate change and technological disruption (exemplified here by generative AI) which are poised to compel further reinvention

3. Planetary work in progress

- CEOs in North Macedonia made progress in improving energy efficiency, and innovating climate friendly products and services.
- More than one-third of the CEOs in North Macedonia report having no plans for a range of other climate actions – including ones with important societal implications like addressing nature risk, as well as investing in nature-based climate solutions.

Our take: Climate change and associated risks will continue to impact businesses in 2024. Although CEOs in North Macedonia have progressed in decarbonisation, they may consider investing in nature-based climate solutions. Nature-based climate solutions offer one of the most sustainable pathways for companies to achieve its ESG strategies and targets.

4. The AI opportunity

- Local CEOs recognise the positive near-term business impacts from GenAI, primarily related with work efficiency.
- Contrary to its global peers, CEOs in North Macedonia consider that GenAI will not have significant impact on the headcount.

Our take: Generative AI is reshaping business models and even entire industries. Local CEOs may need to quickly react to seize emerging opportunities and the first step towards could involve transparently sharing their AI-plans and encouraging their employees to feel more comfortable experimenting and innovating with this new technology.

5. The AI challenge

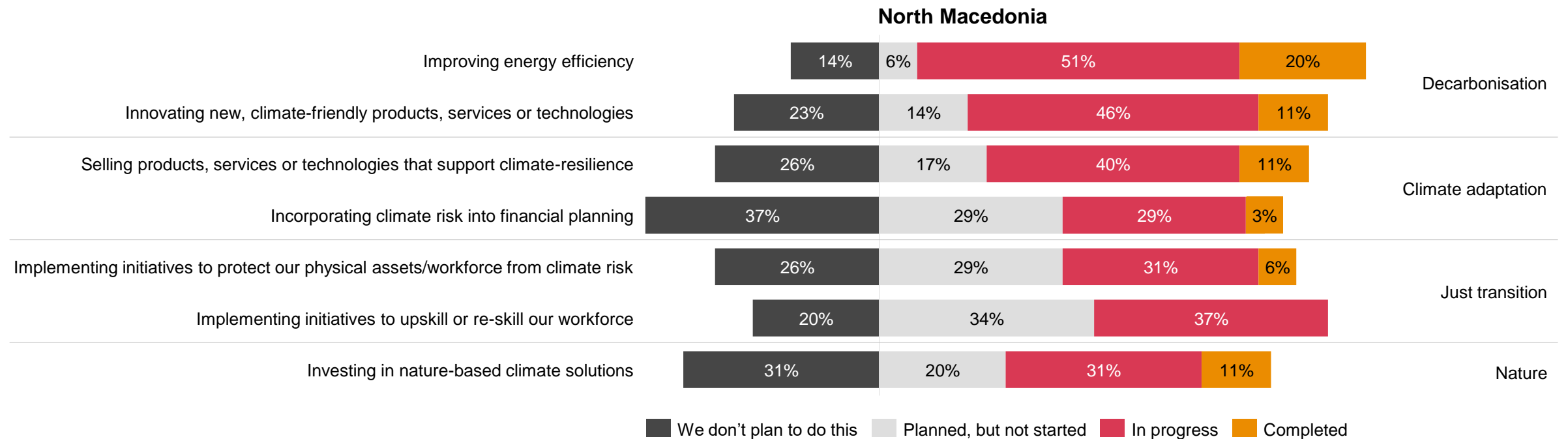
- When dealing with potential risks, CEOs in North Macedonia consider cybersecurity breach as the number one concern, followed by the spread of misinformation in their company.

Our take: Trust is crucial when dealing with new technology and at the moment, it is up to the business to ensure they are using AI responsibly. CEOs should focus on adopting an AI strategy and consider all risk dimensions of GenAI. The main focus would be on biggest risks and creation of internal controls around data privacy and how AI models are trained. In addition, regular monitoring of regulatory changes regarding data privacy and latest developments on how AI should be governed is strongly recommended.

3. Planetary work in progress

CEOs in North Macedonia advance in decarbonisation, yet over one-third of them lack plans for integrating climate risk into financial planning or investing in nature-based climate solutions

Q. Below is a list of actions companies may undertake related to climate change. Which of the following best describes your company's level of progress on each of these actions?

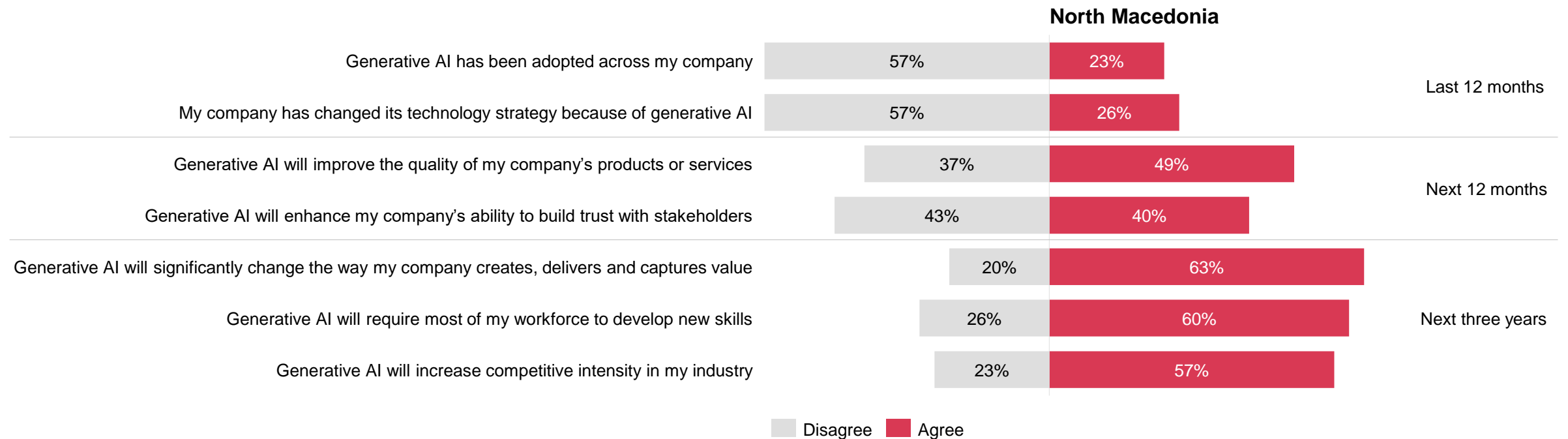


Notes:
 Base: North Macedonia – all respondents
 Source: PwC 27th Annual Global CEO Survey
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4. The AI opportunity

Despite its limited adoption, CEOs in North Macedonia expect a growing impact for generative AI

Q. To what extent do you agree or disagree with the following statements about generative AI?



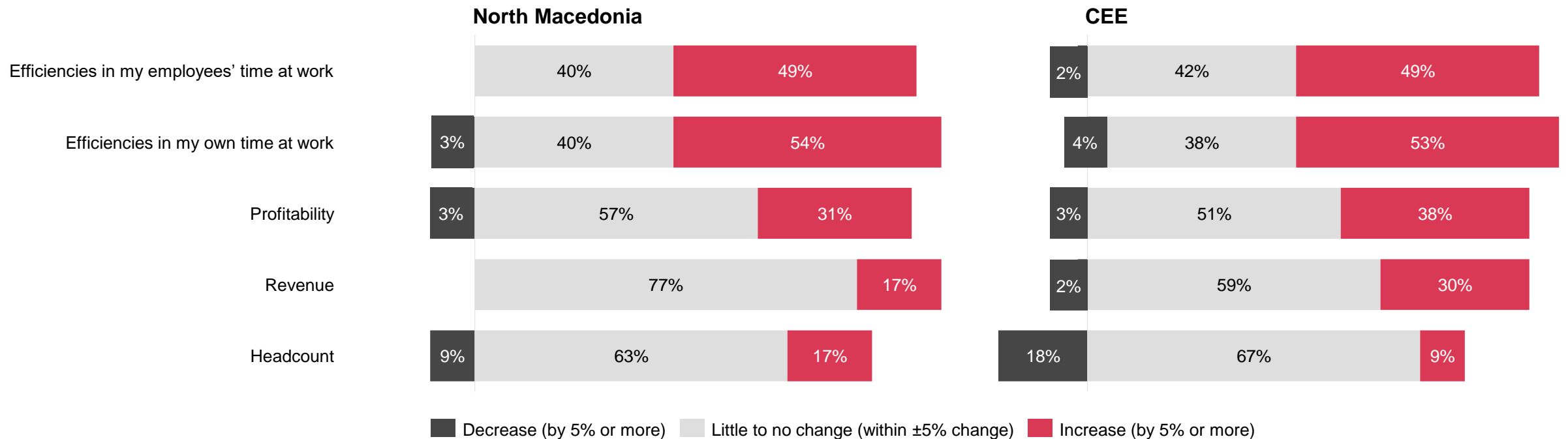
Notes:

Base: North Macedonia – all respondents
 Source: PwC 27th Annual Global CEO Survey
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4. The AI opportunity

Local CEOs recognise the positive effects of generative AI on work efficiency but do not anticipate significant impact on revenue results in the next year

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

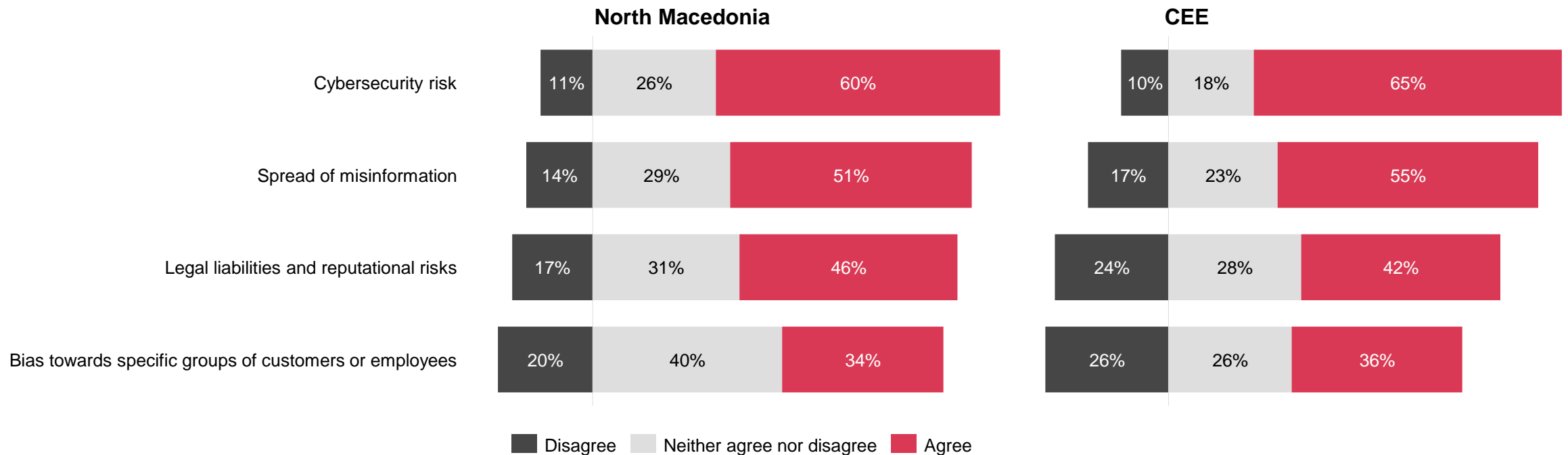


Notes:
 Percentages shown may not total 100 due to rounding.
 Base: North Macedonia – all respondents; CEE – all respondents;
 Source: PwC 27th Annual Global CEO Survey
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5. The AI challenge

CEOs in North Macedonia are most concerned about cybersecurity risks when it comes to Generative AI

Q. To what extent do you agree or disagree that generative AI is likely to increase the following in your company in the next 12 months?



Notes:
Base: North Macedonia – all respondents; CEE – all respondents;
Source: PwC 27th Annual Global CEO Survey
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Your reinvention playbook

Outlines three essential actions to jumpstart continuous reinvention

6. Turn barriers into opportunities

- Major barriers for the local CEOs arise from regulatory environment and lack of skilled workforce. Also, lack of technological capabilities is a much larger barrier to local CEOs compared to their global peers.
- Furthermore, efficiency was a concern for CEOs, who reported 40% of time spent on administrative processes is inefficient on average.

Our take: C-suite leaders can do more to address inefficiencies and break through barriers. It's critical to build alignment between leaders and employees around priorities for change, and to build a culture of trust so employees feel safe to propose better ways of doing things.

7. Recalibrate expectations for climate priorities

- Only 29% of local CEOs say their companies have set lower rates of return for climate friendly investments, compared to 34% of CEOs in the CEE region. On a global scale, the readiness for lower rates of return on climate friendly investments rises up to 41% of respondents.

Our take: Return requirements play a crucial role when making decisions related to resource allocation. Macedonian CEOs are currently not as willing to exchange lower investment returns for a positive impact on climate change. The global trend of climate-friendly investments ought to be an example of forward-thinking corporate management to local CEOs.

8. Keep your antennae out

- Among other corporate initiatives, in-house developed technologies have had the most significant impact on value creation for companies in North Macedonia, according to their CEOs.
- Still, Macedonian CEOs continue to overlook acquisition of other companies as an opportunity to capture and create more value for their business.

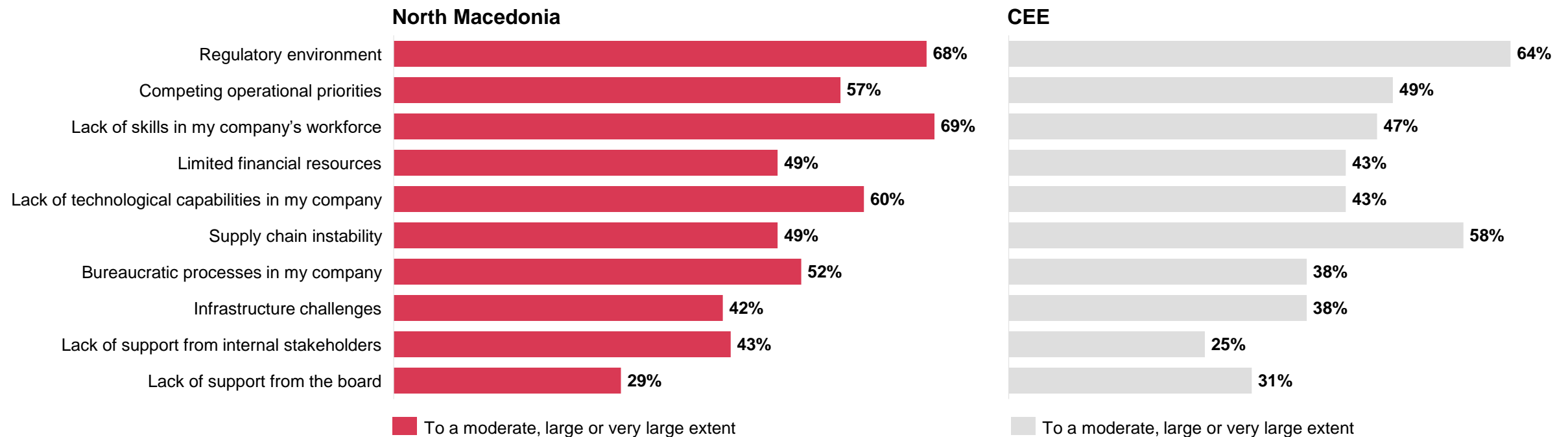
Our take: While CEOs acknowledge the impact of technology development, product portfolio development and improved strategic alliances to business growth, there are also other business actions that go unnoticed. Local leaders may need to expand their perspective when seeking growth opportunities to make the most of the current developing market.

6. Turn barriers into opportunities

Local CEOs identify the lack of skilled workforce and technological capabilities as greater constraints compared to their regional peers

Q. To what extent, if at all, are the following factors inhibiting your company from changing the way it creates, delivers and captures value?

(Showing only 'to a moderate extent', 'to a large extent' and 'to a very large extent' responses)



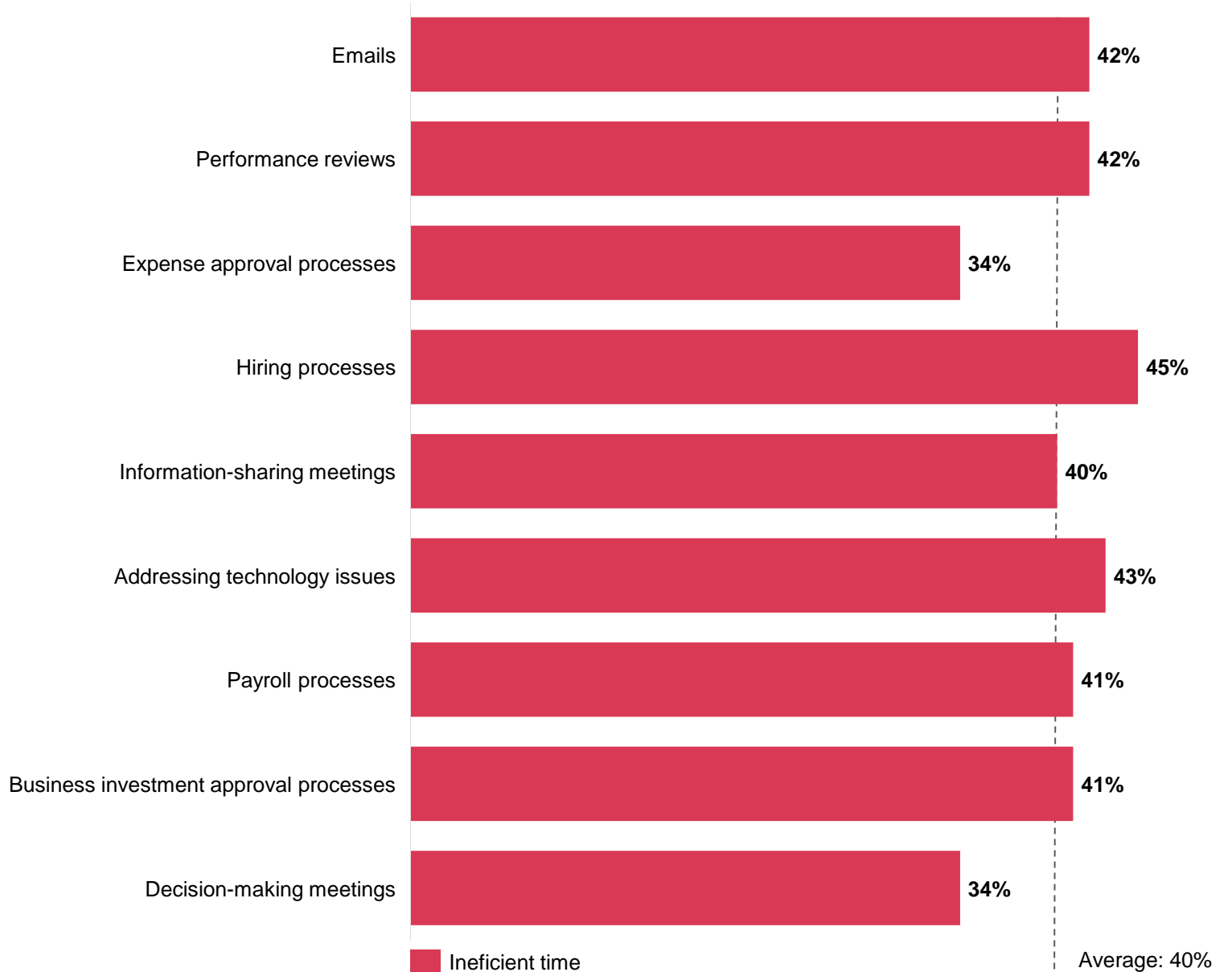
Notes:
 Base: North Macedonia – all respondents; CEE – all respondents;
 Source: PwC 27th Annual Global CEO Survey
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6. Turn barriers into opportunities

Another kind of barrier looms large: local CEOs estimate administrative inefficiency at 40%, with the hiring process being deemed the least efficient process

Q. What percentage of time spent in your company on the following activities/processes is inefficient?

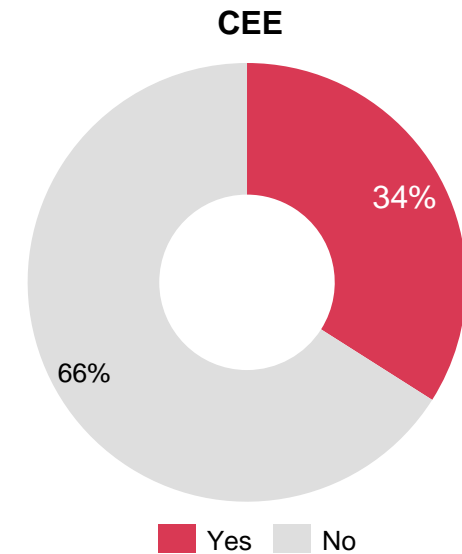
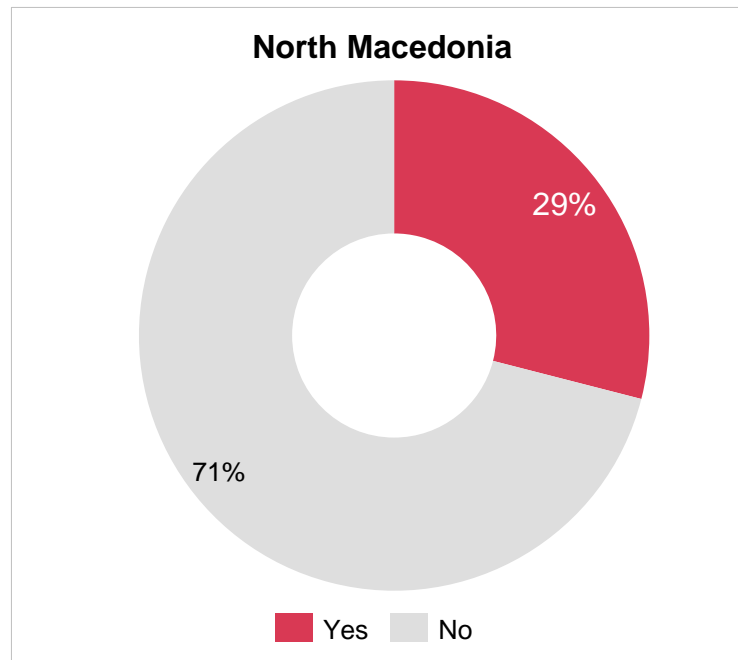
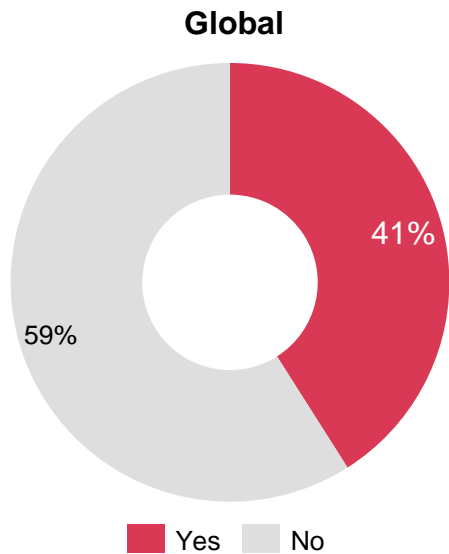
Notes:
Question text amended for clarity; bars depict mean values
Base: All respondents who provided a valid response (excluding Don't know)
Source: PwC 27th Annual Global CEO Survey
PwC



7. Recalibrate expectations for climate priorities

CEOs in North Macedonia are less willing to accept lower rates of return when evaluating climate-friendly investments

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



Notes:
*Climate-friendly investments were defined as “e.g., transitioning to energy-efficient operations, developing greener products and services, implementing emission-reducing technologies”.
Base: Global – all respondents; North Macedonia – all respondents; CEE – all respondents;
Source: PwC 27th Annual Global CEO Survey
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8. Keep your antennae out

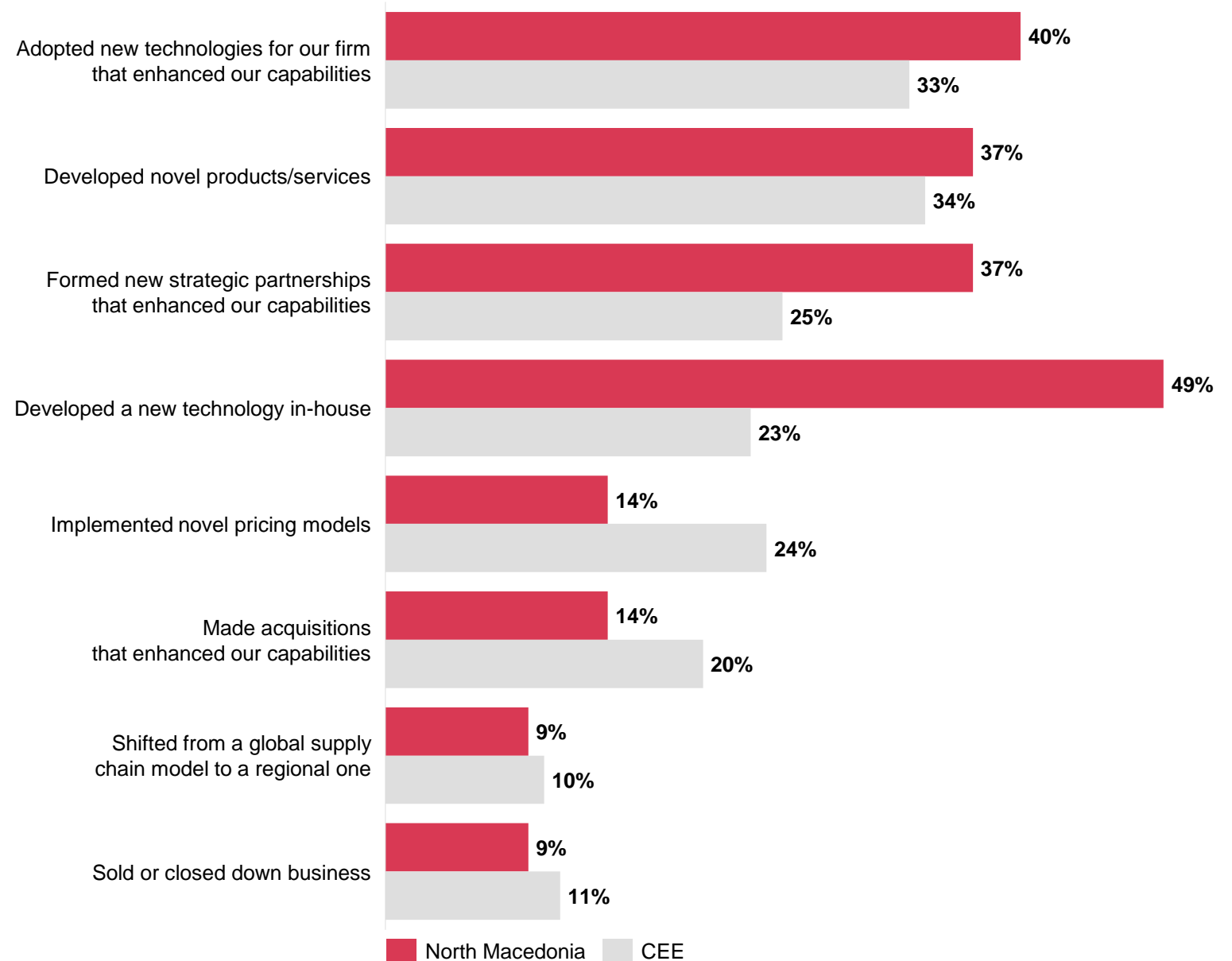
In the last five years, internally developed technology has brought major impact to value creation for Macedonian CEOs, while...

Q. To what extent have the following actions impacted the way your company creates, delivers and captures value over the last five years?

(Showing only 'to a large extent' and 'to a very large extent' responses)



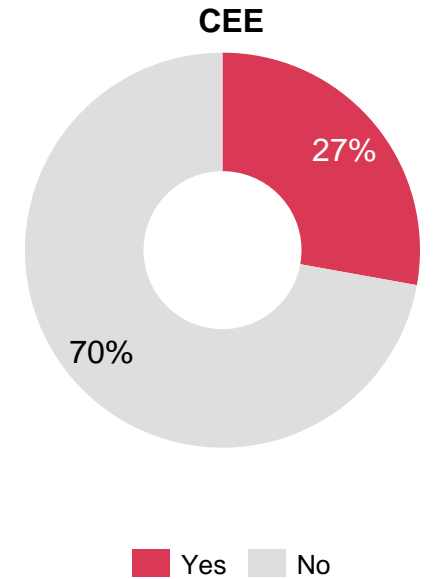
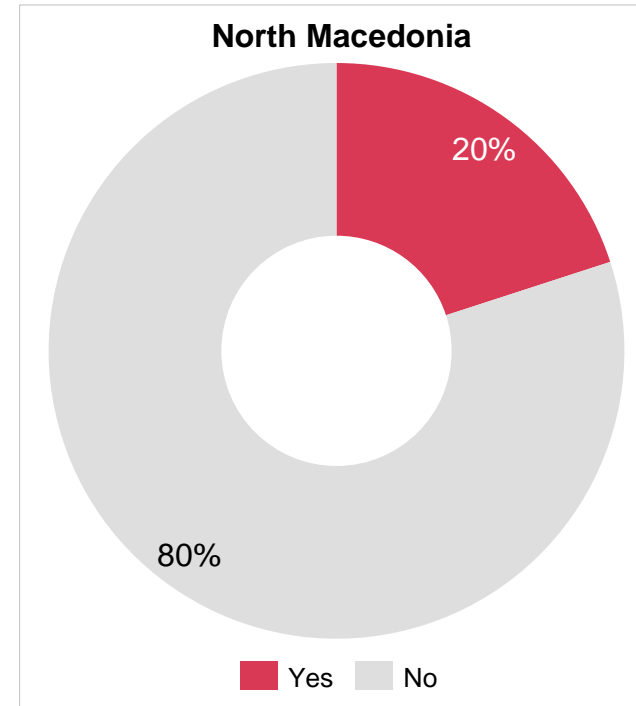
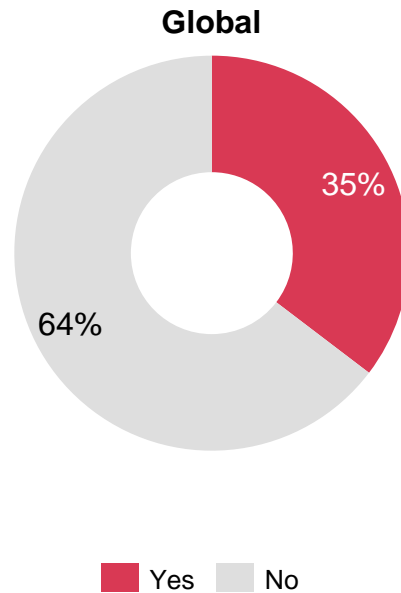
Notes:
 Base: North Macedonia – all respondents;
 CEE – all respondents;
 Source: PwC 27th Annual Global CEO Survey
 PwC



8. Keep your antennae out

...value creation via acquisitions was not perceived as an action bringing more value...

Q. Has your company made a major acquisition (more than 10%) in the last three years?



Notes:

Base: Global – all respondents;

North Macedonia – all respondents;

CEE – all respondents;

Source: PwC 27th Annual Global CEO Survey

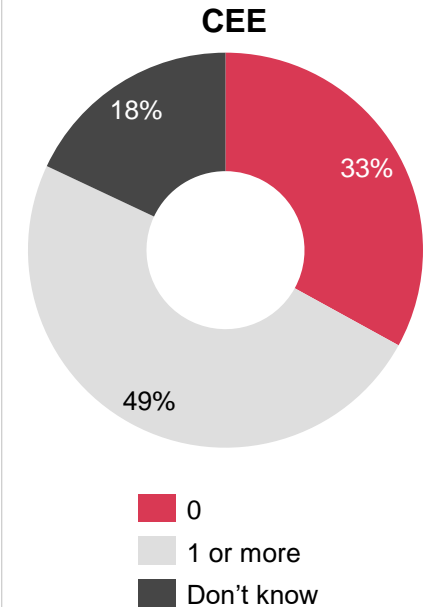
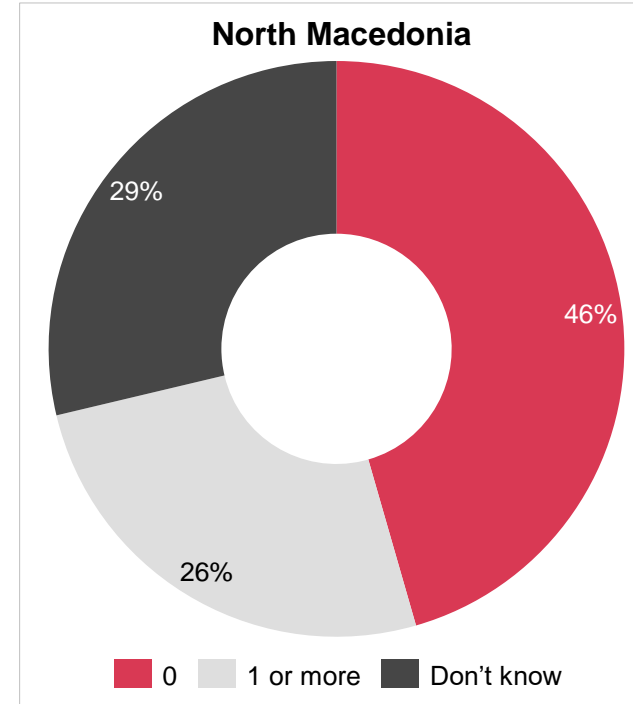
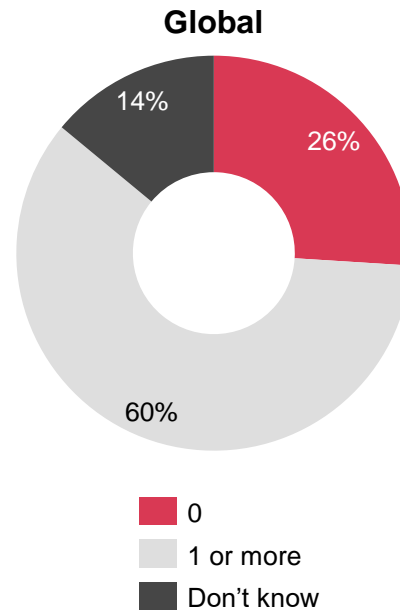
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8. Keep your antennae out

...and is still considered a less favourable move for their three year development strategy, compared to regional and global CEOs

Q. How many acquisitions is your company planning to make in the next three years?



Notes:

Base: Global – all respondents;

North Macedonia – all respondents;

CEE – all respondents;

Source: PwC 27th Annual Global CEO Survey

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Sustaining the change



Climate change and GenAI have growing impact to entire industries and CEOs and their leadership teams are pressured more than ever to make fast decisions to reinvent their business models and secure the future of the company.

CEOs in North Macedonia may need to focus on the issues within their control – cut bad costs, invest in good costs, develop differentiated capabilities as some of them. In addition, their top leadership teams could include AI or green technology experts. GenAI is recognized globally to help businesses reinvent and CEOs should be more open with their employees about their plans to include this new technology in their operations. Upskilling employees and empowering them to use AI to increase productivity and innovation are actions that can ultimately lead to an increase in human capital value.

Local CEOs can successfully navigate uncertain 2024 by focusing on controllable factors and take actions towards reinvention, they have the opportunity to reshape their organisations and get achieve to their business goals and targets.

Survey methodology

PwC surveyed 4,702 CEOs in 105 territories during October and November of 2023. The global and regional figures in this report are weighted proportionally to country or regional nominal GDP to ensure that CEOs' views are representative across all major regions. The industry- and country-level figures are based on unweighted data from the full sample of 4,702 CEOs. Further details by region, country and industry are available on request. All quantitative interviews were conducted on a confidential basis.

Among the 4,702 CEOs that participated in the survey:

- 3% of them lead organizations with revenues of US\$25bn or more.
- 4% lead organizations with revenues between US\$10bn and US\$25bn.
- 20% lead organizations with revenues between US\$1bn and US\$10bn.
- 38% lead organizations with revenues between US\$100m and US\$1 bn.
- 68% lead organizations that are privately owned.
- 87% of respondents are male and 11% female

For the Macedonian results, 35 CEO's shared their responses, insights and predictions.

- 71% of them lead organisations with revenues less than US\$100 million.
- 17% of them lead organisations with revenues between US\$100m and US\$1bn.
- 66% of their organisations were privately owned
- 77% of respondents are male and 23% female

Notes:

- Not all percentages in charts add up to 100% – a result of rounding percentages, multi-selection answer options and the decision in certain cases to exclude the display of certain responses, including 'other', 'none of the above' and 'don't know'.

The research was undertaken by PwC Research, our global centre of excellence for primary research and evidence-based consulting services.

<https://www.pwc.co.uk/pwcresearch>

Thank you.

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