

27th Annual Global CEO Survey – Thailand

# Leading through accelerated reinvention

March 2024





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# Foreword

I'm pleased to present to you the findings of PwC's 27th Annual Global CEO Survey – Thailand. This report offers valuable insights into the challenges and opportunities that CEOs in Thailand are currently facing in the rapidly changing business landscape.

A staggering 67% of Thai CEOs have expressed concerns about the viability of their businesses if they continue on their current path, despite taking actions to reinvent their businesses through the adoption of technologies, development of new products and services, and in-house technologies.

However, despite these efforts, Thai CEOs still heavily rely on existing products and services for the majority of their revenue. Only 12% mentioned that new offerings contribute to a significant portion of their total sales. This indicates the need for Thai executives to explore new sources of value and diversify their revenue streams.

The survey also highlights the threats and pressures that Thai CEOs expect to face in the next three years. Factors such as technological changes, customer preferences, government regulations, and competitor actions are poised to drive significant changes in the business landscape. Additionally, climate change and GenAI are increasingly seen as factors that will impact businesses in the near future.

The findings of our report emphasise the need for CEOs in Thailand to strike a balance between their investment priorities to ensure they can successfully re-invent their business model and gain a competitive advantage through new technologies. This involves addressing other immediate challenges such as the war for talent, cost pressures and cyber risk, to name but a few. By doing so, Thai CEOs will be able to see the full picture and seize new opportunities.

I encourage you to delve into the report and use the insights to guide your strategic decision-making and drive your businesses towards sustained outcomes.



**Pisit Thangtanagul**  
Chief Executive Officer, PwC Thailand

# Report summary

Thai CEOs are facing the imperative to reinvent their businesses due to macroeconomic challenges, technology disruptions and climate change. **More than half of Thai CEOs lack confidence that their businesses will remain economically viable in the next decade if they continue on their current path.**

To address this, Thai CEOs have engaged in proactive efforts to reinvent their businesses, including adopting new technologies, developing new products and services and forming strategic partnerships. Additionally, Thai CEOs anticipate increased pressure from factors such as technology advancements, evolving customer preferences and government regulations.

- Thai CEOs are divided on the global economy: 45% expect it to decline in 2024, while 45% expect it to improve.
- 67% of Thai CEOs don't think their business will be economically viable in the next ten years.
- Only 27% are confident in their company's revenue prospects in the next 12 months.
- Thai CEOs see threats that may affect their business, led by inflation (30%), cyber risks (24%), and geopolitical conflicts (21%).
- 79% of Thai CEOs have either completed or are in progress of improving energy efficiency, surpassing the global average of 75% and Asia Pacific average of 68%.
- 61% of Thai CEOs believe that GenAI will significantly change the way businesses create, deliver and capture value in the next three years.
- 58% agree that GenAI will require most of their workforce to develop new skills, indicating that employee upskilling will play a crucial role in GenAI adoption.

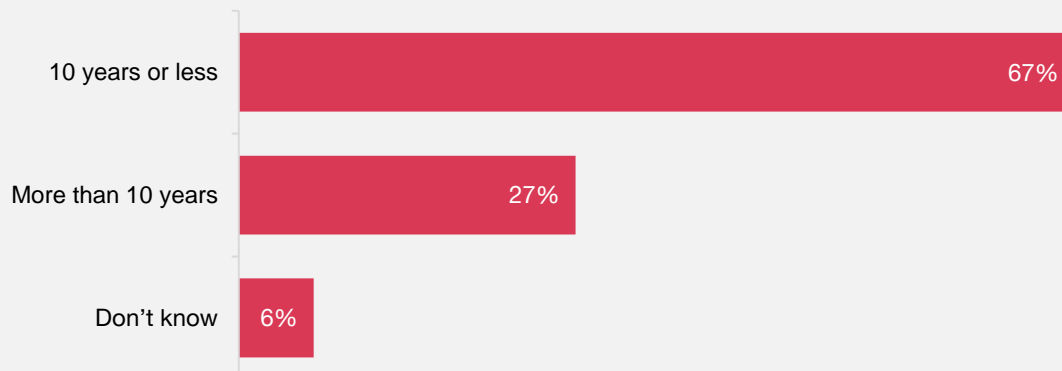
# The reinvention imperative

## 1. An enduring imperative to reinvent

CEOs around the world, including Thai CEOs, are facing macroeconomic challenges, technological disruptions, and climate change, along with various other megatrends. This is reflected by two-thirds of Thai CEOs (67%) not being confident that their business will remain economically viable in the next decade if they continue on their current path. This is higher than the global average of 45% and Asia Pacific average of 63%.

### 67% of Thai CEOs don't think their business will be economically viable in the next ten years if they continue on their current path

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



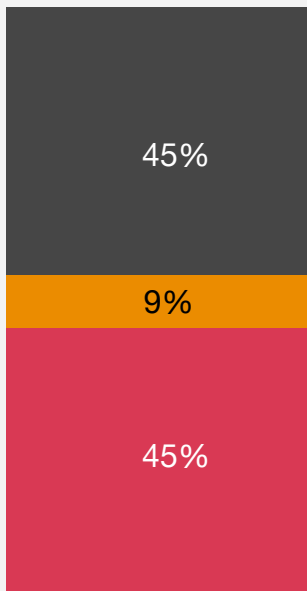
Sentiment on the global economy remains divided among Thai CEOs. While 45% believe that the global economy will improve over the next 12 months, another 45% believe that it will decline, indicating mixed confidence in the global economic outlook. Thai CEOs are definitely not confident about revenue growth, with only 27% expressing confidence in their company's revenue prospects in the next 12 months (lower than the global average of 37% and Asia Pacific average of 31%).

When asked about the country's economic outlook, 52% of Thai CEOs remain confident about Thailand's growth prospects. The growing optimism comes after [a new administration took power in August 2023](#), and positive trends emerged in the [tourism](#) and [export](#) sectors. However, a [delay in the 2024 budget disbursement](#), slowdown in domestic demand, and high levels of household debt are all significant factors that need to be monitored.



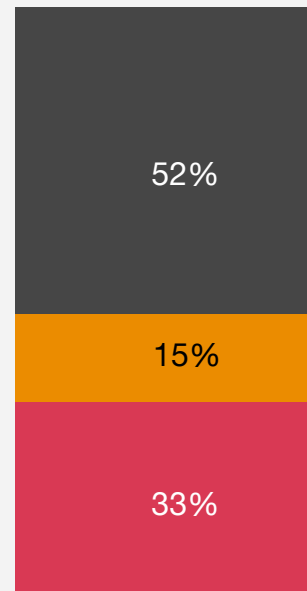
## Sentiment on the global economy remains divided among Thai CEOs

Q1. How do you believe economic growth (i.e. GDP) will change, if at all, over the next 12 months in the global economy?



■ Improve ■ Stay the same ■ Decline

Q2. How do you believe economic growth (i.e. GDP) will change, if at all, over the next 12 months in your country/territory?



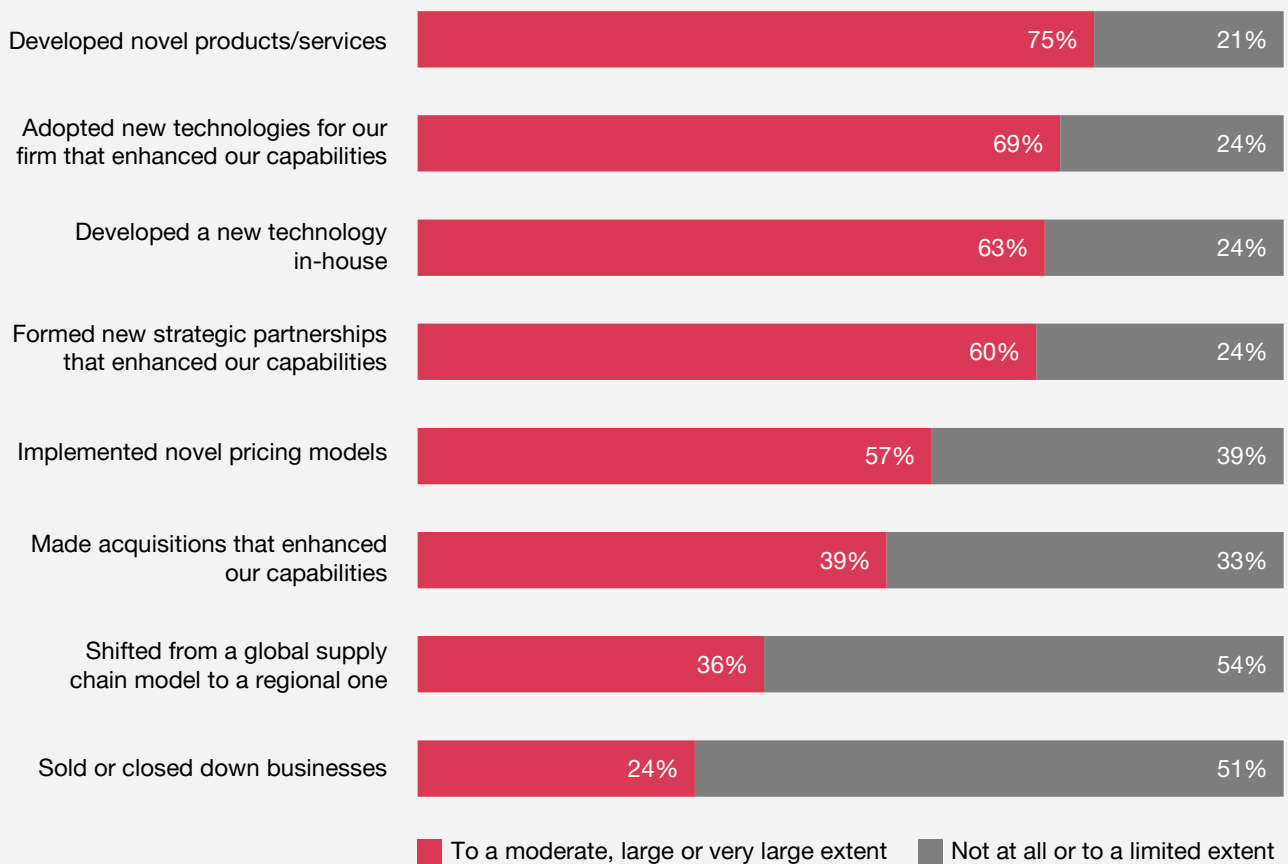
■ Improve ■ Stay the same ■ Decline

These sentiments are further supported by the fact that Thai CEOs show signs of needing to reinvent their businesses.

Thai CEOs have taken action to reinvent their businesses in response to a multitude of challenges. These actions include developing innovative products and services (75%), adopting new technologies (69%) and developing new in-house technologies (63%). The driving force behind the reinvention is the need to change the way their companies create, deliver and capture value.

## Actions taken by Thai CEOs

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



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

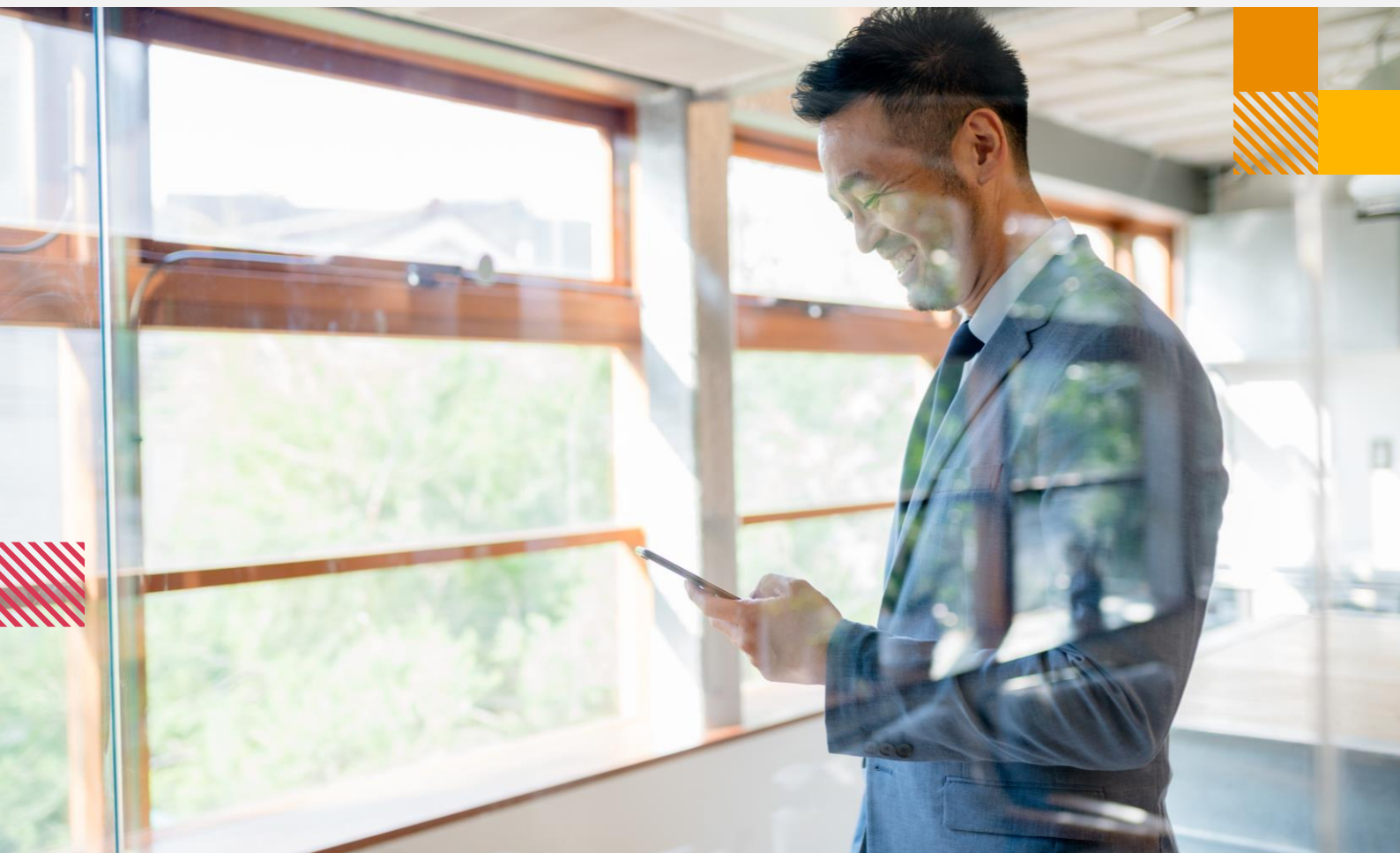
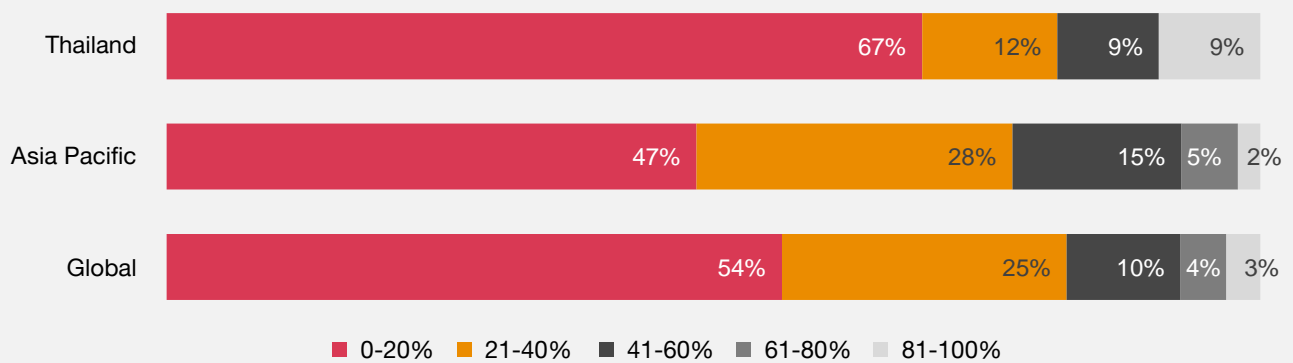


Despite efforts to reinvent their businesses, Thai CEOs continue to heavily rely on existing products and services for the majority of their revenue, rather than exploring new sources of value.

Furthermore, most Thai CEOs prioritise organic growth rather than inorganic growth. The survey found that **79% have not made any major asset acquisitions in the last three years, higher than the global (64%) and Asia Pacific (55%) averages.** However, 39% reported that their company has plans for acquisitions as a means to achieve business expansion and capture new value.

## Most Thai CEOs rely on existing products and services

Q. What percentage of your company's total sales from this year are attributable to new products or services introduced in the last three years?





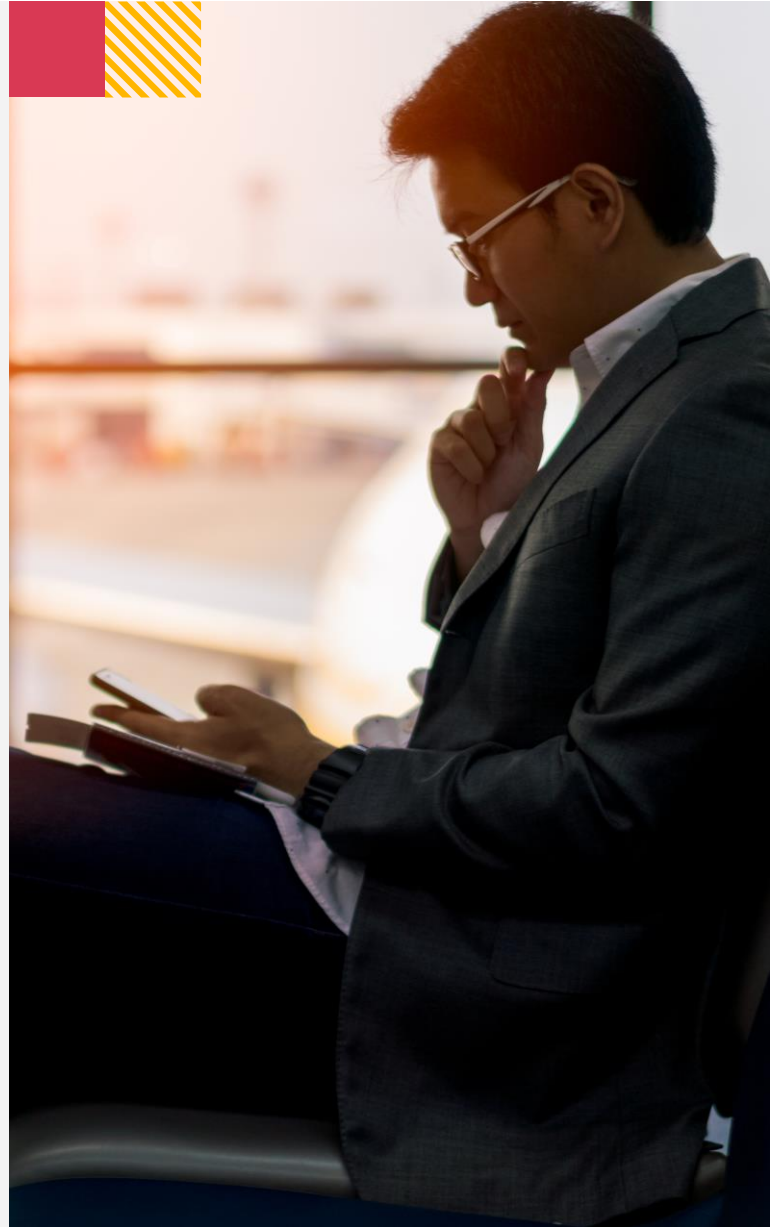
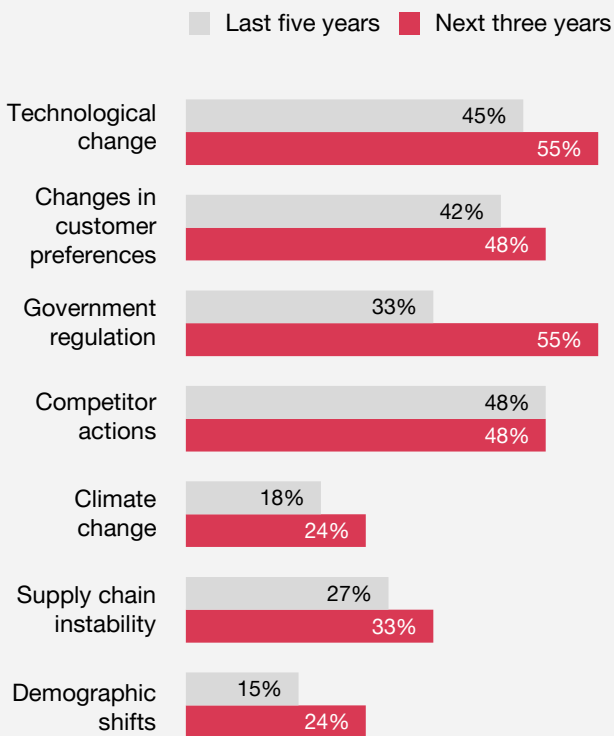
## 2. Threats and pressures

Another indication that the need for reinvention is rising is the notable increase in the pressure that Thai CEOs expect to face over the next three years from factors that influence business model change.

Compared to the last five years, Thai CEOs anticipate changes associated with technology (55%), customer preference (48%), government regulations (55%) and competitor action (48%). Climate change (24%) has slightly increased in terms of being seen as a factor driving business change in the next three years.

### Thai CEOs show signs of reinventing their business

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)



Thai CEOs face numerous threats to their business prospects, led by inflation (30%), cyber risks (24%), and geopolitical conflicts (21%). They are particularly concerned about inflation as it could impact the purchasing power of their customers or increase borrowing costs for businesses.

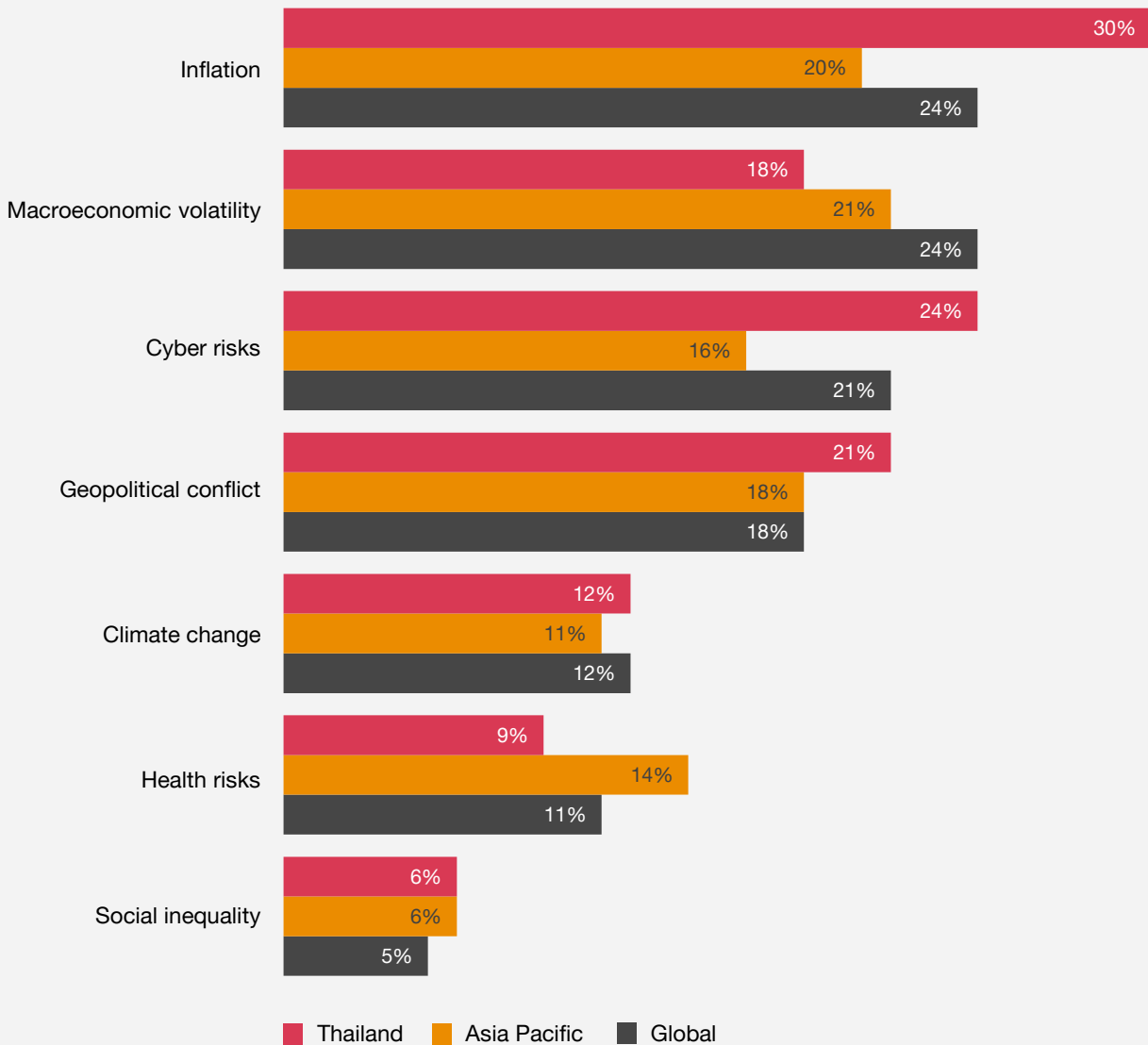
There is also rising concern about cyber risks, which can result in data breaches and cause significant reputational damage, financial loss and legal liabilities. This growing concern correlates with the rapid adoption of generative AI (GenAI).

This highlights the need for cybersecurity to be at the centre of efforts to mitigate security and privacy risks. Meanwhile, geopolitical instability can contribute to market volatility, disrupt supply chains, and lead to regulatory changes in trade policies and business operations.



## Threats to growth prospects

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)



Note: Exposure is defined as probability of significant financial loss.

### 3. Barriers to reinvention

The confidence in growth among Thai CEOs is significantly impacted by external barriers that hinder their journey towards reinvention.

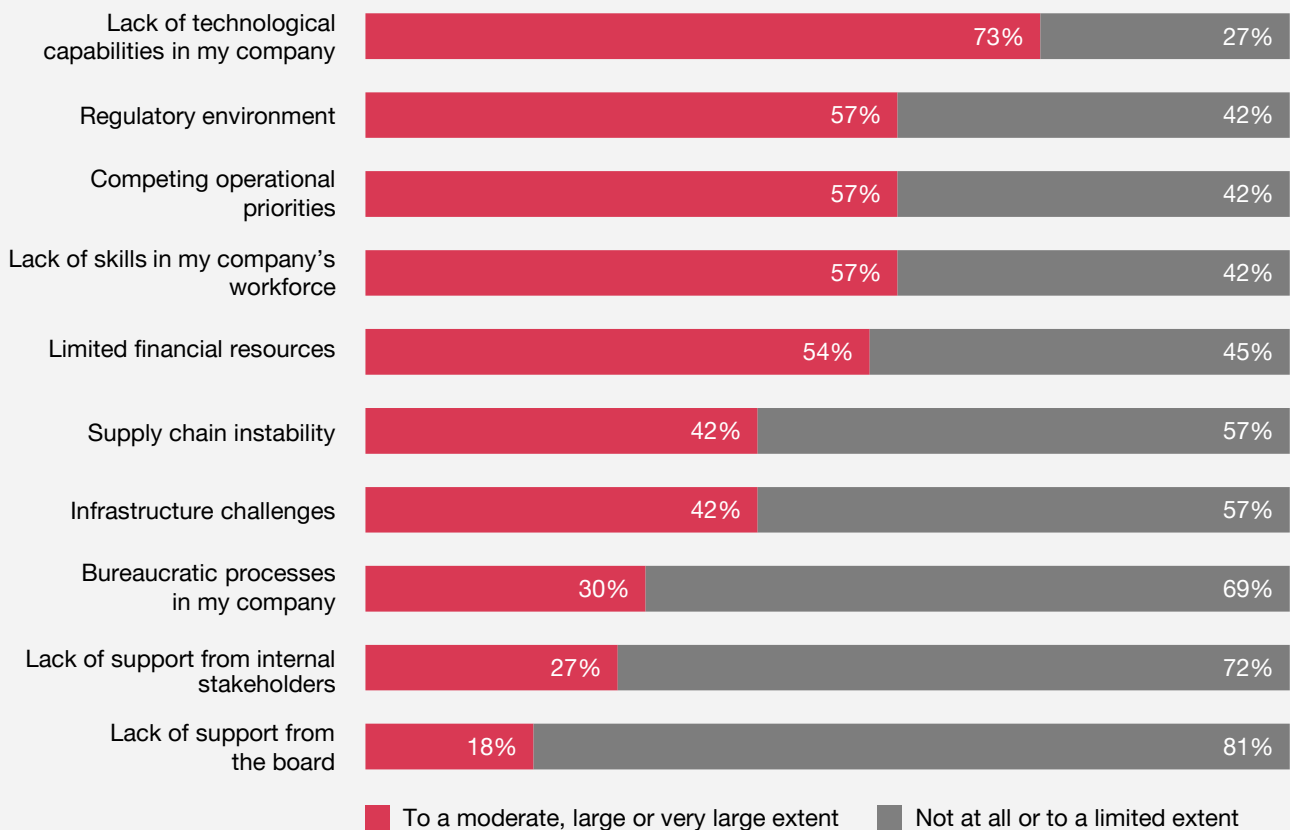
A staggering 73% of Thai CEOs report that a lack of technological capabilities is a moderate to significant barrier to reinvention. The regulatory environment is the next barrier, with 57% of CEOs in Thailand considering it a moderate to very large barrier.

Meanwhile, 57% of Thai CEOs mentioned competing operational priorities as a barrier, indicating the need for careful planning and effective resource allocation to balance conflicting priorities. The lack of workforce skills is seen as another significant barrier, with 57% of Thai CEOs expressing concern.



## 73% of Thai CEOs see a lack of technological capabilities as a significant barrier

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



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



# Looming existential change



## 1. Climate change a work in progress

One of the megatrends pressuring Thai CEOs to reinvent their businesses is climate change. Similar to the global and Asia Pacific regions, Thailand has taken action and made investments to mitigate the effects of climate change.

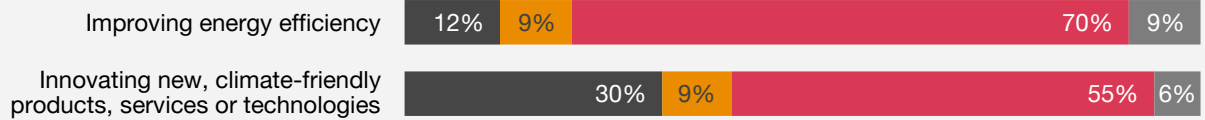
In terms of decarbonisation, 79% of Thai CEOs have either completed or are in progress of improving energy efficiency, surpassing the global average of 75% and Asia Pacific average of 68%. Additionally, 61% of Thai CEOs have made progress or completed the innovation of new, climate-friendly products and services, outperforming their global (58%) and Asia Pacific (51%) counterparts.

Regarding the 'just transition', 67% of Thai CEOs are in progress of implementing initiatives to upskill or re-skill their workforce, preparing them for climate-driven changes to their business models. This percentage is higher than the global average of 39% and Asia Pacific average of 39%.

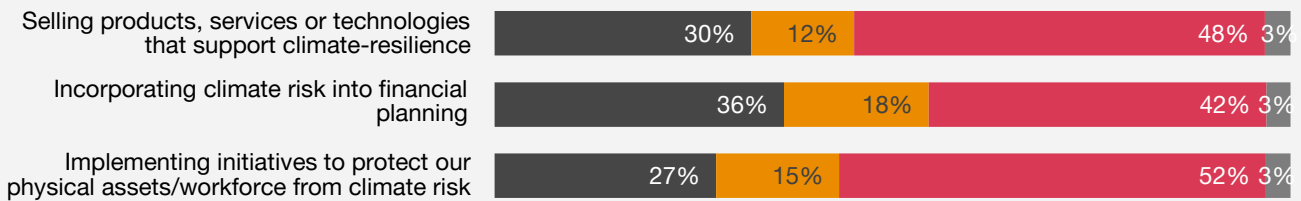
## Actions undertaken by Thai CEOs related to climate change

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?

### Decarbonisation



### Climate adaptation



### Just transition



### Nature



We don't plan to do this
  Planned, but not started
  In progress
  Completed

Despite Thai CEOs having completed or being in progress of climate action, there are still areas where they have no plans to take action on climate change. For example, 36% reported that they don't plan to invest in nature-based climate solutions. Additionally, 36% have no plans to incorporate climate risk into their financial planning. These findings suggest that there is room for Thai CEOs to take further action on climate change.

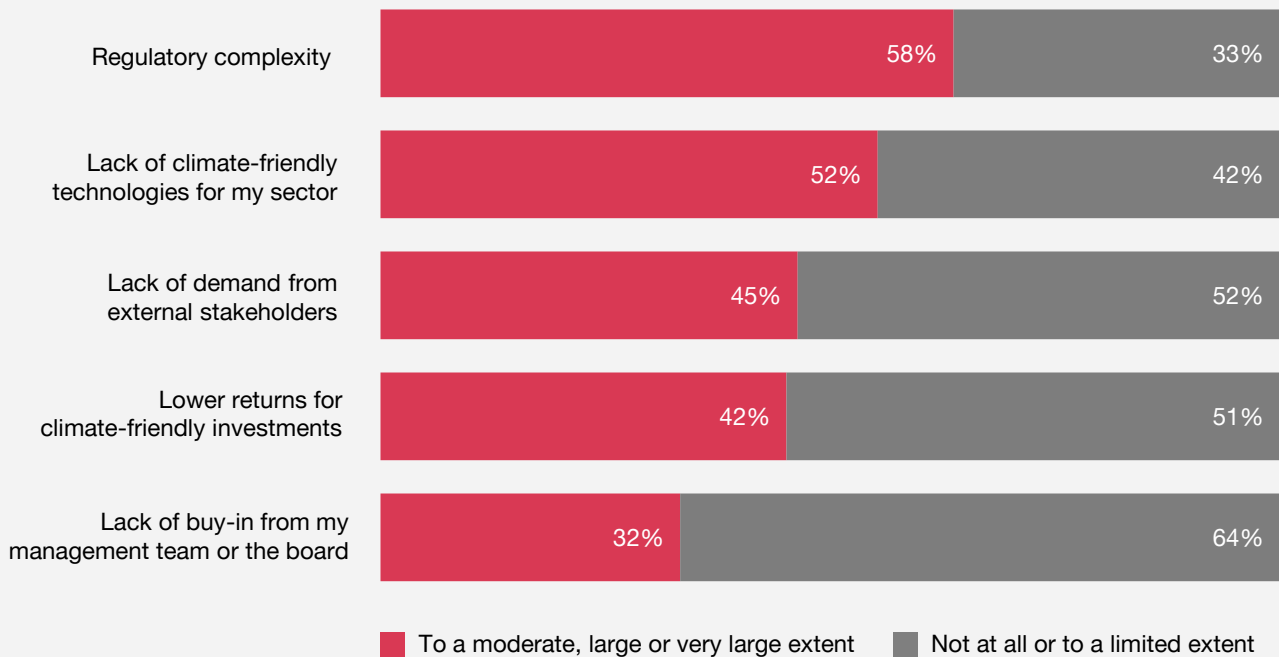


## Barriers to climate change reinvention

Many Thai CEOs don't have plans to pursue decarbonisation, climate adaptation or a just transition. The decision to not take action on climate change may be influenced by low confidence due to key barriers.

### Thai CEOs face barriers to decarbonisation

Q. To what extent, if at all, are the following factors inhibiting your company's ability to decarbonise its business model?



According to the findings, 58% of Thai CEOs reported that regulatory complexities are significant barriers to decarbonisation.

Additionally, 52% lack climate-friendly technologies for their sector, indicating that without access to such technologies, Thai companies may face challenges in transitioning towards more sustainable practices and reducing their carbon footprints.

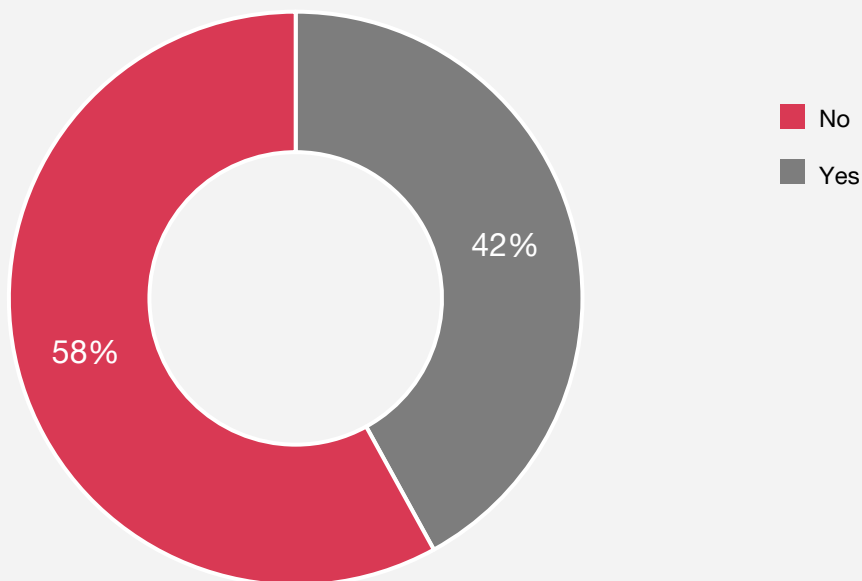
Furthermore, 45% mentioned a lack of demand from external stakeholders and 42% cited lower returns for climate-friendly investments as barriers.

When diving into climate-friendly investments, only 42% have accepted lower returns of investments that were lower than for other investments, while more than half have not accepted in the past year. More acceptance in lower return could promote willingness to explore climate related business models, attracting more investment.



## Over half of Thai CEOs have not accepted lower returns on 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?



Note: Climate-friendly investments\* were defined as 'e.g., transitioning to energy-efficient operations, developing greener products and services, implementing emission-reducing technologies.'

These barriers, if left unaddressed, may impede progress towards meeting emissions targets and effectively addressing the impacts of climate change for Thai companies.

## 2. GenAI challenges and opportunities

The second megatrend, GenAI, is transforming the business landscape and poses a significant challenge for Thai CEOs to keep up with disruptive technologies.

In the past year, sentiment towards GenAI in Thailand has been somewhat sceptical, but there is also recognition of the potential opportunities it presents for organisations. Some 36% of Thai CEOs have already adopted GenAI in their companies, while 24% have changed their company strategy because of GenAI. These figures are in line with their global (32% and 31%) and Asia Pacific (33% and 28%) counterparts.

In July 2023, the [Electronic Transactions Development Agency \(ETDA\)](#), in collaboration with the [National Science and Technology Development Agency \(NSTDA\)](#), revealed their research on AI readiness in Thailand's public and private sectors. They found that 15.2% have already integrated AI into their organisations, and 56.65% plan to do so in the future, while 28.15% have no plans for adoption.

Looking ahead to the next 12 months and three years, Thai CEOs have a positive perception of GenAI, similar to their global and Asia Pacific counterparts. For example, 52% agree that GenAI will improve the quality of products and services, slightly lower than the global average of 58% and Asia Pacific average of 62%.

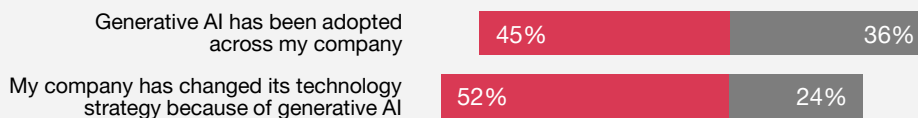
Furthermore, 61% of Thai CEOs believe that GenAI will significantly change the way businesses create, deliver and capture value in the next three years. Although this percentage is lower than the global average of 70% and Asia Pacific average of 76%, Thai CEOs share their counterparts' optimism about the opportunities that GenAI presents.



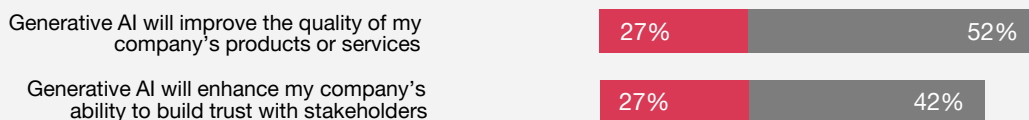
### Thai CEOs' sentiment on GenAI

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

#### Last 12 months



#### Next 12 months



#### Next three years



■ Disagree ■ Agree





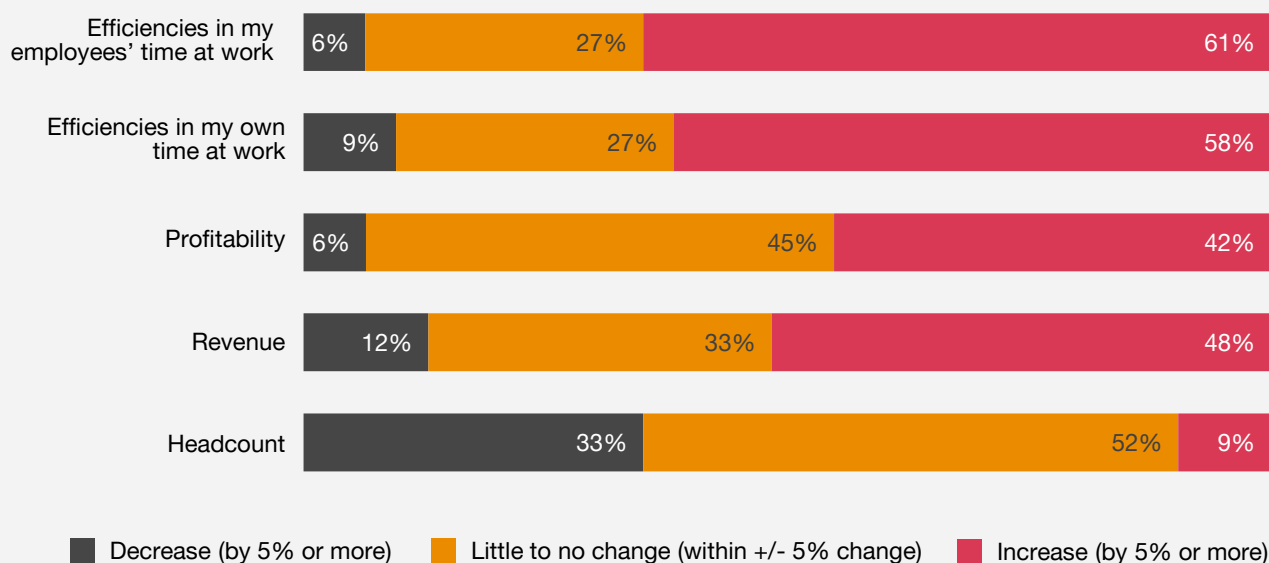
Thai CEOs (58%) also agree that GenAI will require their workforce to develop new skills, highlighting the importance of workforce upskilling in GenAI adoption. This implies that both employees and leaders must familiarise themselves with this disruptive technology. In the [‘Asia Pacific Workforce Hopes and Fears Survey 2023’](#), Thai employees express a positive outlook on GenAI adoption, with 47% believing that AI will help increase their productivity at work, while 44% see AI as an opportunity to learn valuable new skills.

This aligns with Thai CEOs who believe that GenAI will have an impact on their operations by enhancing the efficiency of their employees (61%) and their work (58%).

While GenAI presents opportunities for businesses, it also poses risks if not adopted responsibly. According to Thai CEOs, 70% agree that GenAI can lead to cybersecurity risks, aligning with their global (64%) and Asia Pacific (49%) counterparts. As GenAI is integrated into businesses, it will be crucial for companies to construct a responsible AI framework to mitigate risks such as data breaches and misuse of GenAI.

## Thai CEOs believe GenAI will enhance employee productivity

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





# The reinvention pathway

Now equipped with a deeper understanding of challenges and opportunities, it's time that Thai CEOs take several actions to lead their reinvention and mitigate risks. PwC offers four recommendations for Thai CEOs to kickstart their reinvention journey.

## 1. Prioritise reinvention and empower your organisation

Establish a clear and disciplined approach to reinvention execution. Allocate management time and efforts towards a reinvention roadmap that allows flexibility in addressing emerging threats and opportunities. When faced with specific challenges, such as GenAI, climate change, workforce upskilling and transformation, consider finding subject matter experts that report to organisational leaders. It's important for Thai CEOs to empower all layers of the organisations, from executive teams to managers and employees, to build trust in reinvention. Continuous communication and engagement can ensure a smooth reinvention journey.

## 2. Use technology to identify and manage risks

Embarking on reinvention means accepting risks as a way forward, hence strategically navigating risks can help with reinvention progress. To achieve this, Thai CEOs must combine their capabilities in data, analytics and insights with technology platforms. Leveraging technology can effectively address, identify and manage risks in areas such as GenAI, workforce sentiment and climate change. It also encourages managers to make informed decisions that generate tangible results in the long-run.

### 3. Efficiently broaden climate mandate through partnerships

Thai CEOs must ensure that sustainability is deeply embedded in the reinvention journey, encompassing portfolio management, business structures, work culture and people. Collaboration with partners in their sector or capital providers can support co-funding and acceleration in specific initiatives. Positioning leadership with the right capabilities is crucial to help allocate resources towards climate initiatives.

### 4. Adopt 'Responsible AI' framework in your strategy

Businesses must prioritise building trust when adopting GenAI into their organisations. That means striking a balance between commercial profits and building responsibility. Thai CEOs must see how they can integrate 'Responsible AI' into their business strategy, identifying trade-offs, impacts and risks. Workforce upskilling will be critical, so Thai CEOs must build alignment to help understand where their employees should evolve.



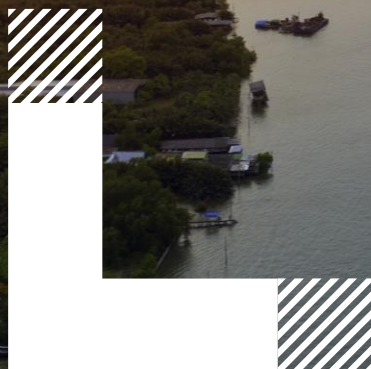


# About the survey

## 27th Annual Global CEO Survey – Thailand

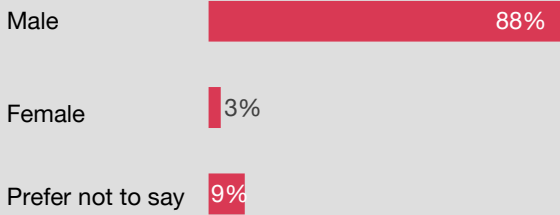
PwC surveyed 4,702 CEOs in 105 countries and territories, including 33 from Thailand, from 2 October through to 10 November 2023. The territory figures in this report were weighted proportionally to the country's nominal GDP to ensure that CEOs' views are representative across all major regions. The industry- and country-level figures are based on unweighted data from the full sample of 4,702 CEOs, including 4,088 men, 521 women, and 93 who identified with another gender or preferred not to say.

All quantitative interviews were conducted confidentially with the CEOs who participated in the survey.

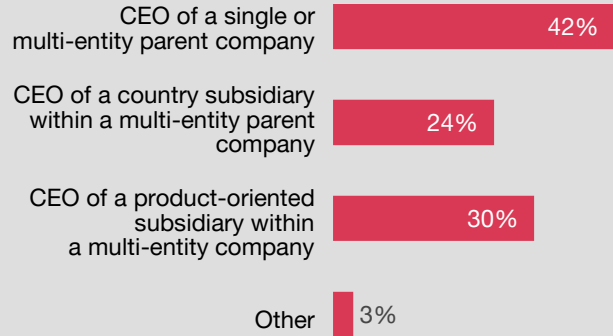


## About surveyed CEOs

### Gender



### Roles

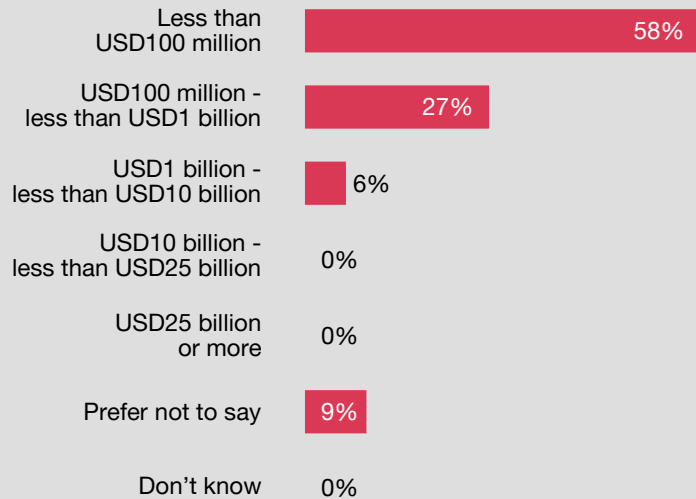


## About surveyed companies

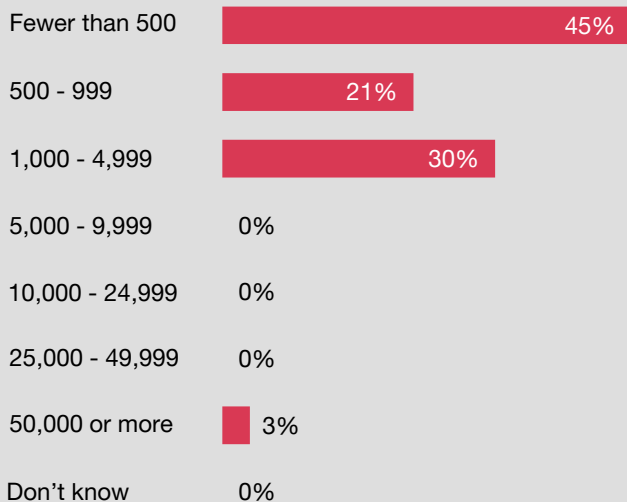
### Ownership type



### Revenue



### Number of employees





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