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Three-quarters of Singapore CEOs predict a return to growth in 2021

- A PwC survey of more than 5,000 CEOs globally reveals record levels of optimism
- 75% of Singapore CEOs (76% globally) believe global economic growth will improve in 2021
- One in three Singapore CEOs are very confident about prospects for revenue growth
- China leads as the top growth destination in the eyes of Singapore CEOs
- In the year of COP26, climate change is still not being approached with urgency

- Pandemics and cyber threats emerge as top risk among Singapore CEOs

Singapore, 11 March 2021 – One year after COVID-19 was declared a pandemic, CEOs are voicing record levels of optimism in the global economic recovery, with 76% of global business leaders predicting that economic growth will improve in 2021. This is echoed in Singapore with 75% of Singapore CEOs saying the same.

The figures come from PwC's 24th Annual Global CEO Survey, which this year polled 5,050 CEOs in 100 countries and territories over January and February 2021.

Globally, the percentage of CEOs expressing confidence in growth, at 76%, is up from 22% in 2020 and 42% in 2019, representing the highest level of optimism since the survey started asking this question in 2012. Similarly, Singapore CEOs were significantly more confident at 75% in 2021, a leap from only 6% in 2020.

Optimism among CEOs over global economic growth is particularly strong in North America and Western Europe, with 86% and 76% of CEOs, respectively, from these regions predicting improved global growth in the year ahead.

Commenting on the growing optimism among polled Singapore CEOs, Yeoh Oon Jin, Executive Chairman, said:

“After going through the past year of crisis and significant stress on our economy and society, it is encouraging to see that CEOs in Singapore are becoming more confident about growth prospects. Over the past challenging year, CEOs have had to rethink and reconfigure their strategies and transformation plans, with many accelerating digitisation of their businesses. Those who have the agility to transform and pivot quickly are generally seeing better results.

“CEOs now face two fundamental challenges: first, how to build trust with a broad range of stakeholders, whose expectations of business are higher than ever before; and second, how to adapt their businesses and deliver sustainable outcomes in a rapidly changing environment. Organisations that get this right will be best placed to come out of the pandemic as winners

with strong, resilient and productive businesses.”

CEO confidence in revenue growth rebounds to the long-term average

CEOs around the world are more optimistic about the outlook for their businesses. Some 36% of those polled globally said they are “very confident” about their organisation’s prospects for revenue growth over the next 12 months, up from 27% of CEOs in 2020. A similar percentage of business leaders in Singapore, at 34%, share the same level of confidence in 2021, an increase from 25% in 2020.

While global confidence is up, there is wide variation across industries, reflecting the varying degrees to which consumer behaviour has been impacted by the pandemic. Globally, CEOs in the technology and telecommunications sectors show the highest levels of confidence at 45% and 43%, respectively. Meanwhile, CEOs in the transportation and logistics (29%) and hospitality and leisure (27%) sectors are among the least confident about their ability to grow revenues over the next 12 months.

China seen as top destination for growth for Singapore CEOs

This year’s survey findings show that Singapore business leaders see China (43%), Indonesia (27%), the US (23%) and Vietnam (18%) as the top destinations for growth over the next 12 months.

In contrast, globally, survey results show that the US has extended its lead as the number one market that CEOs are looking to for growth over the next 12 months at 35%, seven percentage points ahead of China at 28%. In 2020, the US was only one percentage point ahead of China.

New political developments and existing tensions have had an impact on the views of US CEOs. They are reducing their emphasis on China as a growth driver and increasing their focus on Canada and Mexico; compared to 2020, US CEOs’ interest in the latter two countries rose by 78%. Meanwhile, China CEOs report growing interest in large economies such as the US, Germany and Japan – prime destinations for exports.

At 17%, Germany holds on to its number three spot globally on the list of

growth destinations, while the UK, post-Brexit, moves up to number four (11%), surpassing India (8%). Japan also rises up the ranking to become the sixth most attractive growth destination, overtaking Australia which held that position last year.

In the year of COP26, climate change is not being approached with urgency

Globally, the percentage of CEOs expressing concerns about climate change has risen from 24% in 2020 to 30% in 2021. This represents only a marginal increase in the context of COP26, which is being held this year in Glasgow, UK. The finding also comes in the context of rising anxiety about nearly all types of threats.

Despite the fact that CEOs in Singapore were polled prior to the release of the Singapore Green Plan 2030, it is surprising that only 25% of Singapore CEOs polled were 'extremely concerned' about climate change and environmental damage, with 50% of them being 'somewhat concerned'. Also interestingly, in Singapore, climate change and environmental damage did not make it to the top 10 list of perceived threats to growth. Globally, climate change ranks ninth among CEOs' perceived threats to growth. This may be because climate change is not seen as an immediate threat to growth compared to other issues such as the pandemic, over-regulation and cyber threats.

Meanwhile, 39% of the CEOs polled in Singapore and globally believe their organisation needs to do more to 'measure' their environmental impact, and an encouraging 52% of business leaders in Singapore (43% globally) believe their organisation needs to do more to 'report' on environmental impact, a greater share than any other disclosure area. This is a positive sign as more and better corporate information on environmental impact is key to driving the change needed to get to a net zero economy.

However, 60% of CEOs globally and 64% in Singapore have not yet factored climate risks into their strategic risk management activities, which is concerning as climate change poses increasing physical and transitional risk for business. This could be reflective of awareness of the issues around climate risk but given the complexity of the situation and issues, companies may not have fully evaluated or prepared for the full impact of climate change and the possible impact to changing customer preferences,

regulations and supply chain.

While 30% of CEOs surveyed in Singapore (23% globally) plan to significantly increase investments in sustainability initiatives as a result of COVID-19, 25% of CEOs are planning no change at all (31% globally).

Commenting on Singapore's green efforts, Yeoh Oon Jin, Executive Chairman, PwC Singapore said:

“To address the biggest challenges facing our world today, we need to change the incentives that drive decision-making on sustainability issues. This will require businesses and markets to adopt a broader concept of value creation by advancing the non-financial reporting agenda beyond solely financial return and short-term value, so that capital will flow to the right places.

“The recently-announced Singapore Green Plan 2030 and other green initiatives announced as part of Singapore Budget 2021 set the right tone and progressive direction of this new norm of doing business. Business and society should now do their part to work towards securing a sustainable environment for our collective future.”

Pandemics and cyber threats emerge as top risk among Singapore CEOs

Unsurprisingly, pandemics and health crises^[1] top the list of threats to growth prospects according to 55% of Singapore CEOs (52% globally) overtaking the trade conflicts as the top fear cited by Singapore CEOs in 2020.

Cyber threats also emerged as top risk among Singapore CEOs (also at 55% vs 47% globally), tying with pandemics and health crises. It is also worthy to note that cyber threats jumped four spots from #5 in 2020 to #1 in 2021. Rising digitisation is increasing the risks posed by cyber threats. Cyber threats are also a concern particularly for CEOs in North America and Western Europe, where they are considered a greater threat than the pandemic.

Overregulation, which jumped six spots from #9 in 2020 to #3 in 2021 (45% in Singapore vs 42% globally), trade conflicts (43% in Singapore vs 23% globally) and supply chain disruption (also 43% in Singapore vs 25% globally)

round up the top 5 risks for Singapore CEOs.

Table 1: Top 10 risks cited by CEOs surveyed in Singapore (see list of Top 10 risks cited by Global CEOs in notes to editor)

Ranking	Threats	SG CEOs who agrees (%)
1	Cyber threats	55%
1	Pandemics and other health crises	55%
3	Over-regulation	45%
4	Trade conflicts	43%
4	Supply chain disruption	43%
6	Protectionism	39%
7	Uncertain economic growth	36%
7	Geopolitical uncertainty	36%
7	Misinformation	36%
10	Social instability	30%

Question to CEOs: Which from the following list of potential business, economic, policy, social and environmental threats to your organisation's growth prospects are you extremely concerned about?

In addition to pandemics and other health crises, the survey findings revealed that supply chain disruption at 43% (25% globally), misinformation at 36% (28% globally) and social instability at 30% (28% globally) rose up to Singapore CEO's top 10 list of threats in 2021.

Digital investments for the future

Overwhelmingly, every nine in 10 CEOs surveyed (91% vs 83% globally) in Singapore are prioritising long term investments in digital transformations over the next 3 years. 91% (72% globally) are also charting out longer term investment plans to set guard rails in cyberspace.

When asked about their spending on digital transformation, nearly half of CEOs in Singapore at 48% (49% globally) project increases of 10% or more.

Despite the rising level of concern CEOs are voicing about cyberattacks, this has not translated into definitive actions. Less than half of the CEOs, with 27% in Singapore and 31% globally, planning for heightened digital investment are also planning to boost their spending on cybersecurity and data privacy by 10% or more.

At the same time, over half of the CEOs in Singapore (55%) plan to use automation and technology to enable their workforce to become more competitive, which is significantly higher than the global CEO average sentiment of 36%.

Yeoh Oon Jin added: “The growth in CEOs’ optimism is certainly a hopeful sign that we are turning a corner. With the world changing at such speed and scale, CEOs will need to think differently and constantly evaluate their decisions and actions against broader societal impacts to build the trust needed while delivering the sustainable outcomes that the new world is yearning for.”

ENDS

[\[1\]](#) New risk category this year: was last included in the survey in 2015

Notes:

1. Download the report at ceosurvey.pwc.

2. PwC surveyed 5,050 CEOs in 100 countries and territories in January and February 2021. This is up from 3,501 respondents in last year’s survey. The global and regional figures in this report are based on a sub-sample of 1,779 CEOs, proportionate to country nominal GDP to ensure that CEOs’ views are representative across all major regions. Further details by region, country and industry are available on request.

Of the 1,779 CEOs whose responses were used for the global and regional figures:

- 6% of their organisations had revenues of US\$25bn or more
- 9% of their organisations had revenues between US\$10bn and US\$25bn.

- 35% of their organisations had revenues between US\$1bn and US\$10bn.
- 34% of their organisations had revenues between US\$100m and US\$1bn.
- 14% of their organisations had revenues of up to US\$100m.
- 60% of their organisations were privately owned.

We also conducted in-depth, face-to-face interviews with CEOs from six regions. Some of these interviews are quoted in this report, and more extensive transcripts can be found on our website at <https://www.strategy-business.com/inside-the-mind-of-the-ceo>.

3. Table 2: Top 10 risks cited by CEOs surveyed globally

Ranking	Threats	CEOs who agrees (%)
1	Pandemics and other health crises	52%
2	Cyber threats	47%
3	Over-regulation	42%
4	Policy uncertainty	38%
5	Uncertain economic growth	35%
6	Populism	31%
6	Tax policy uncertainty	31%
8	Increasing tax obligation	30%
8	Climate change and environmental damage	30%
10	Misinformation	28%
10	Social instability,	28%
10	Availability of key skills	28%
10	Geopolitical uncertainty	28%

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