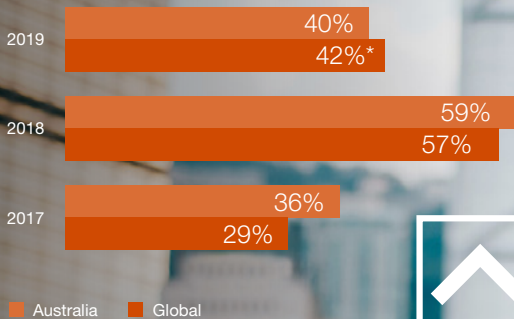


Widening gaps and a positivity lapse



2019 looks set to be a turning point for business, with rising pessimism around growth prospects, and populist and protectionist sentiment cause for both local and global CEO concern. So what's required in Australia to lean into these concerns?

Global growth prospects (Australia vs global)



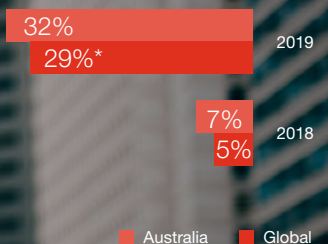
*Believe global growth will improve



Growth confidence dips

There's a positivity lapse in 2019, after a surge in growth optimism last year. This year, 32% of Australia's CEOs project a decline in global growth prospects, up from a mere 7% last year. Our CEOs also reported a dip in confidence in their own organisation's revenue prospects over the short (12 months) and medium (three years) terms.

Decline in global growth prospects (Australia vs global)



*Believe global growth will decline



Top threats to growth



Trading places

Populist and protectionist sentiment is a cause for concern around growth and trade. There is an turning inward to drive growth but whereas CEOs of many countries are changing operating models and growth strategies. Australia's CEOs are not.

*All % Somewhat concerned/extremely concerned
Red indicates threats linked to Government-related issues

Widening gaps and a positivity lapse



The impact 'availability of key skills' is having on growth prospects

People costs rising more than expected (Global 52%)

62%

Quality standards and/or customer experience impacted (Global 47%)

53%

Unable to pursue a market opportunity (Global 44%)

41%

Not able to innovate effectively (Global 55%)

35%

Missing our growth targets (Global 44%)

32%

Turning inward to reduce the talent gap

CEOs are seeing wider and more impactful threats to growth, and the concern around the availability of key skills continues to be front and centre. CEOs also say people costs are rising more than expected as a result, so it's time to think differently about ways to solve Australia's skills challenge.

The importance of data to decision making

98%*
(Global 90%)

Brand and reputation



95%
(Global 94%)

Customers' and clients' preferences and needs



92%
(Global 86%)

Employees' views and needs



96%
(Global 92%)

Financial forecasts and projections



92%
(Global 87%)

Risks to which the business is exposed

*All % Important/critical to making decisions about the long-term success of business

Make your data smarter

CEOs are working to bridge the gaps in their business capabilities, which includes translating a deluge of data into better decision making. Only 7% believe their customer data is comprehensive and finding the right data talent is a significant challenge for those looking to become more data-driven.

Widening gaps and a positivity lapse



Global 35%

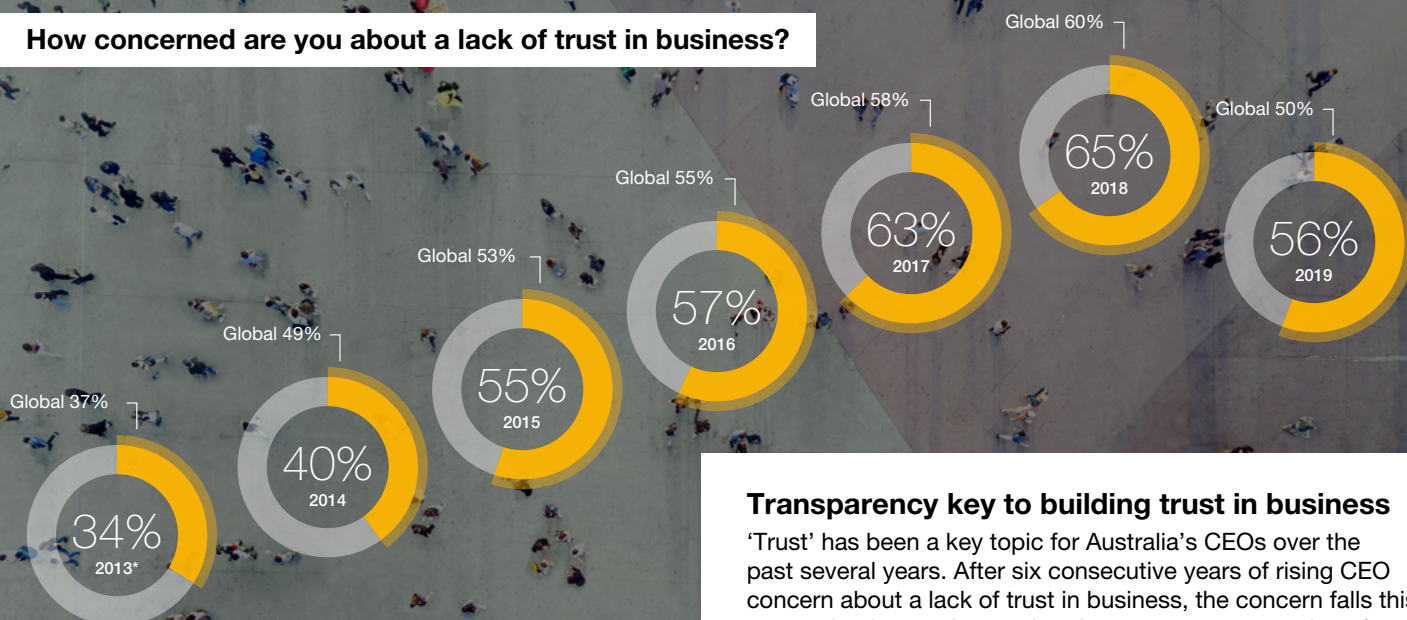
29%

plan to introduce Artificial Intelligence (AI) initiatives into organisations in the next 3 years

AI at the tipping point

Artificial Intelligence has the potential to supercharge growth, but without clean, relevant, and labeled data - and the workforce to harness this - organisations are being hindered in their efforts to move aggressively on AI.

How concerned are you about a lack of trust in business?



*Note for 2013 the question is "How concerned if at all, are you about the lack of trust in your industry"

Transparency key to building trust in business

'Trust' has been a key topic for Australia's CEOs over the past several years. After six consecutive years of rising CEO concern about a lack of trust in business, the concern falls this year as leaders understand and act on new expectations from their stakeholders.

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