

24th Annual Global CEO Survey. Key findings in Cyprus.

10 years of CEO insights

From one decade to the next



10th Cyprus CEO Survey



Contents



Introduction	4
Local survey highlights	7
A few words about the survey	9
Looking ahead with optimism	10
Does optimism also reflect confidence in their own organisation's growth prospects and profitability?	12
What will help boost profitability?	16
What are the main concerns of CEOs?	18
Digital acceleration	20
The climate change challenge	22
Our people are our top priority	26
The pandemic is still here!	30
Taxation. A thorny issue	32
Changes in the purpose and priorities as a result of COVID-19	34
Only for Cyprus	40
Conclusion	42



Introduction



The current state

On 11 March 2020, the World Health Organisation declared the epidemic of COVID-19 a pandemic, marking the official start of a period of profound changes and uncertainties. Since then, the pandemic has evolved at breakneck pace, with states across the world adopting urgent measures to slow the spread of COVID-19 while supporting their economies at the same time.

Almost a year later, we are still in the throes of the pandemic, however the rollout of vaccinations allows us to look to the future with optimism. Although we may seem to be one step closer to recovery, it is not yet clear how this can be achieved. One thing is for certain: nothing will ever be the same.

In the wake of COVID-19, we are all experiencing changes and new challenges in businesses, society, economy and our daily lives.



24th Annual Global CEO Survey

A total of 5,050 business leaders in 100 countries took part in the **24th Annual Global CEO Survey**, conducted in January and February 2021. The dual role of the pandemic as an accelerator of trends that pre-existed and an enhancer of power of change is reflected in the survey. CEOs have recognised the need for changes to their operating models since the pandemic has highlighted gaps and weaknesses and at the same time has brought the future closer.

A strong voice from 5,050 CEOs in 100 countries gives a striking note of optimism for the future. The prevailing belief is that the global economy will improve significantly. The majority of CEOs are optimistic about the growth prospects of the global economy, at a much higher level compared to the past. Despite the overall positive climate, CEOs are not so optimistic for certain sectors of the economy which have been hard hit by the pandemic.

Sectors such as tourism and transportation, which have been greatly affected and not yet recovered are currently reinventing their operating models moving forward. That said, areas such as technology and online trade have flourished over the past year. Optimism for economic recovery and increased profitability goes hand in hand with uncertainty and concern about a number of issues.

The survey factors in weaknesses, challenges, opportunities and fears in an attempt to capture a comprehensive snapshot of the global business and economic environment.

Concerns over the pandemic, the transformation of technology, cyber threats and climate change are prevalent. The key finding of this year's both global and local survey is that CEOs need to think differently. They must be agile and quick to adapt, constantly evaluating their decisions and asking themselves the same question over and over: "What comes next and how can we do things better than before?". This will enable them to redefine their future operating model, with a firm focus on trust and transparency.

This year's PwC local CEO survey gathered the views of a record number of **135 business leaders**.

Let's examine in more detail how CEOs in Cyprus think and feel, and what they are concerned about.



Notes:

Not all figures add up to 100% due to rounding of percentages and to the exclusion of “neither/nor” and “Don’t know” responses.

The Eurozone group includes Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Slovenia and Spain.

Local survey highlights

- 61%** ➤ Believe global economic growth will improve over the next 12 months (43% increase compared to last year).
- 77%** ➤ Are confident about their company's prospects for revenue growth over the next 12 months (5% decrease compared to last year).
- 59%** ➤ Are very concerned about pandemics and other health crises (51% increase compared to 2015).
- 83%** ➤ Plan to increase their long-term investments in digital transformation.
- 46%** ➤ Expect headcount at their organisation to increase over the next 12 months (16% decrease compared to last year).
- 96%** ➤ Are reassessing their organisation's tolerance for risk.
- 19%** ➤ Say that the business community in Cyprus needs a better physical and digital infrastructure to achieve a rapid return to growth.



A few words about the survey



5,050 CEOs from 100 countries participated in PwC's 24th Global CEOs Survey, conducted from January to February 2021.

This year, 93% of the interviews were conducted online while 7% by mail, telephone and personal interviews. A record number of 135 business leaders in Cyprus participated in the local survey, reflecting the growing interest of the local business community.

Conducting fieldwork in January and February of 2021 represents a shift from our historical approach. Typically, PwC surveys chief executives for its Annual Global CEO Survey between September and November, and then releases its report in Davos during the Annual Meeting of the World Economic Forum. Given global complexities in the fall of 2020, including pandemic surges, late-stage vaccine trials and several disruptive geopolitical events, we moved the fieldwork in January. This shift has allowed us to collect important information regarding the views and future plans of CEOs.

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

www.pwc.co.uk/pwcresearch

Looking ahead with optimism

A total of 61% of the 135 CEOs surveyed in Cyprus are confident that global economic growth will improve over the next 12 months, compared with only 18% last year. This is a notable rise, if we consider that in the year that elapsed from one survey to the next, CEOs have been faced with substantial financial and practical difficulties due to the pandemic, but despite the challenges, confidence in global economic growth has risen significantly.

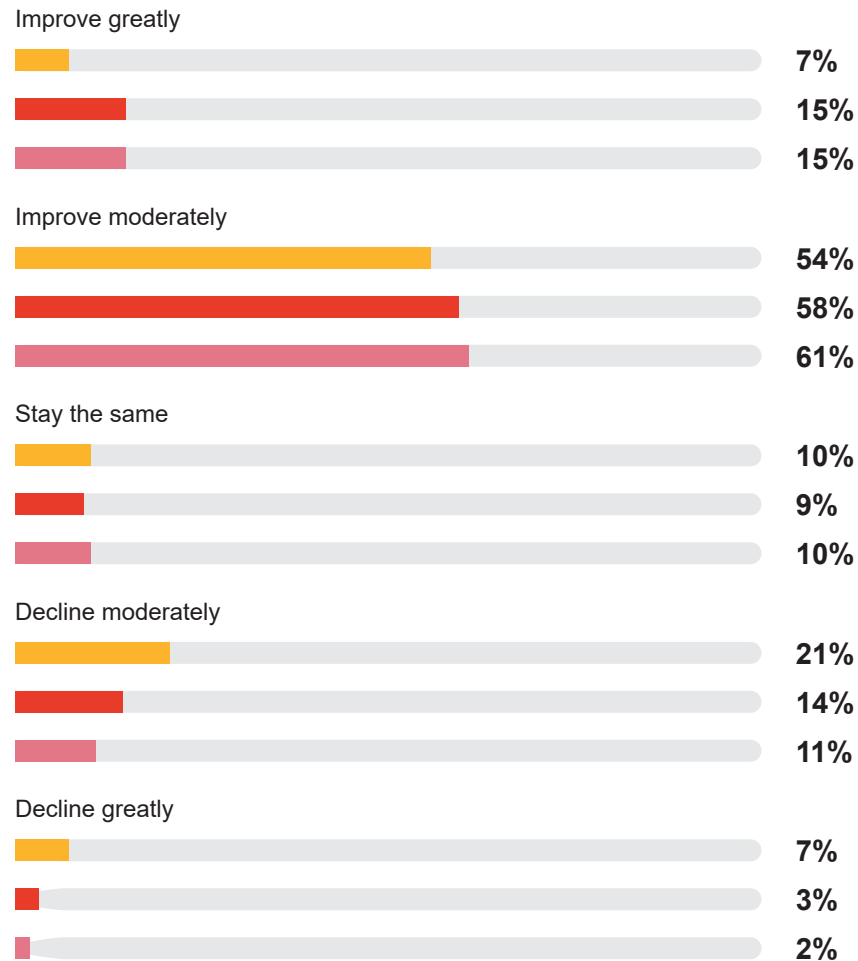
The corresponding rates of CEOs in the Eurozone and Globally who believe that global economic growth will improve over the next year are 73% and 76% respectively. There is no doubt that this optimism stems from the vaccination rollout, which has now been launched in all countries, as well as the state financial aid packages to businesses.

Accordingly, reflecting this positive sentiment, the rate of CEOs who think that global economic growth will stay the same has dropped to 10% this year, as against 25% in last year's survey. This is also true for the rate of CEOs who believe that global economic growth will decline over the next 12 months, currently standing at 28% compared with 57% last year. Similar decreasing trends are also observed among CEOs in the Eurozone and Globally.

Figure 1

Global economic growth prospects.

Q: Do you believe global economic growth will improve, stay the same, or decline over the next 12 months?



61% | Believe global economic growth will improve over the next 12 months.

● Cyprus ● Eurozone ● Global

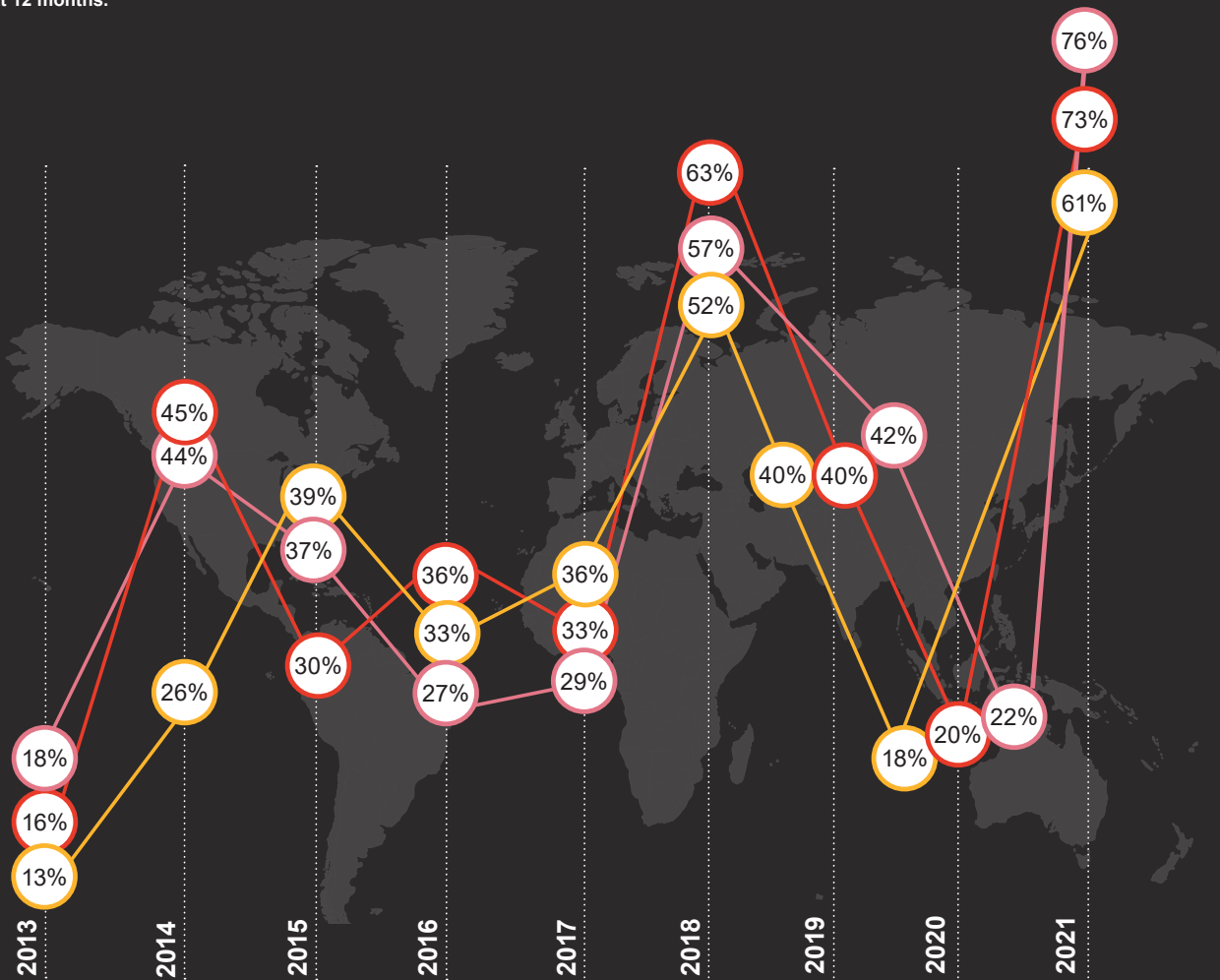
Figure 2

**Global economic growth over the next 12 months.
9 year analysis.**



Respondents who stated that global economic growth will improve over the next 12 months.

● Cyprus ● Eurozone ● Global



Does optimism also reflect confidence in their own organisation's growth prospects and profitability?

Yes, their optimism is also reflected in their confidence regarding the profitability of their organisations. 79% of CEOs surveyed in Cyprus, 80% in the Eurozone and 84% Globally are confident that profitability will increase over the next year.

Regarding the revenue growth prospects, 77% of CEOs are also confident that their company's revenue will grow over the next 12 months. This percentage is lower than both last year (82%) and the three previous years (82%, 83% and 85%). In contrast, CEOs in the Eurozone with 82% and Globally with 85% are more positive than last year, reflecting the optimism expressed in regard to global economic growth.

It should be mentioned, however, that on a three-year horizon, CEO confidence levels rise to 88% in Cyprus, 90% in the Eurozone and 89% Globally.

Figure 3

Profitability and revenue growth prospects.

Q: How confident are you about your organisation's prospects for profitability and revenue growth over the next 12 months and the next three years?

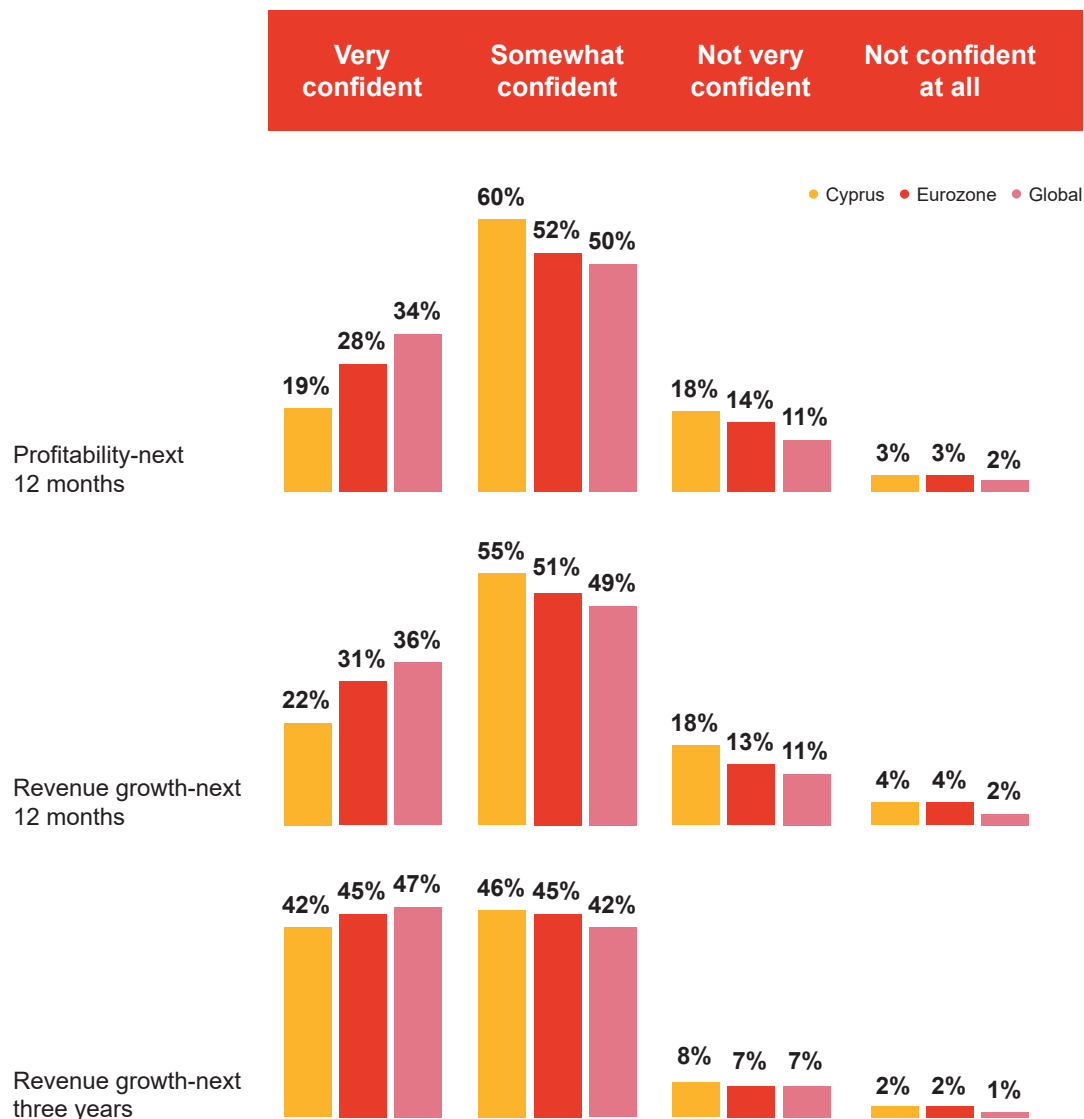
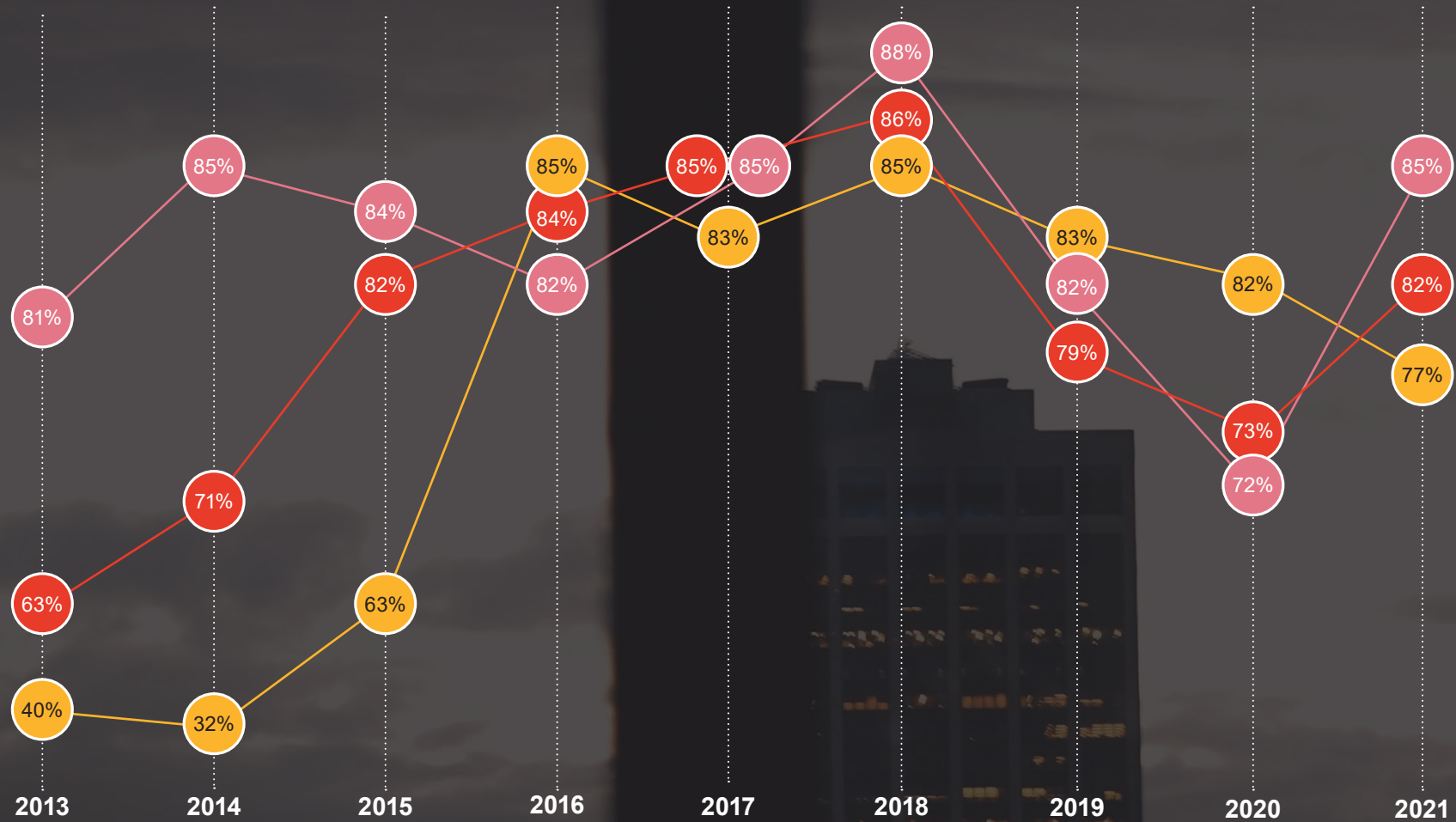


Figure 4

Revenue growth prospects over the next 12 months

Revenue growth prospects over the next 12 months. 9 year analysis.

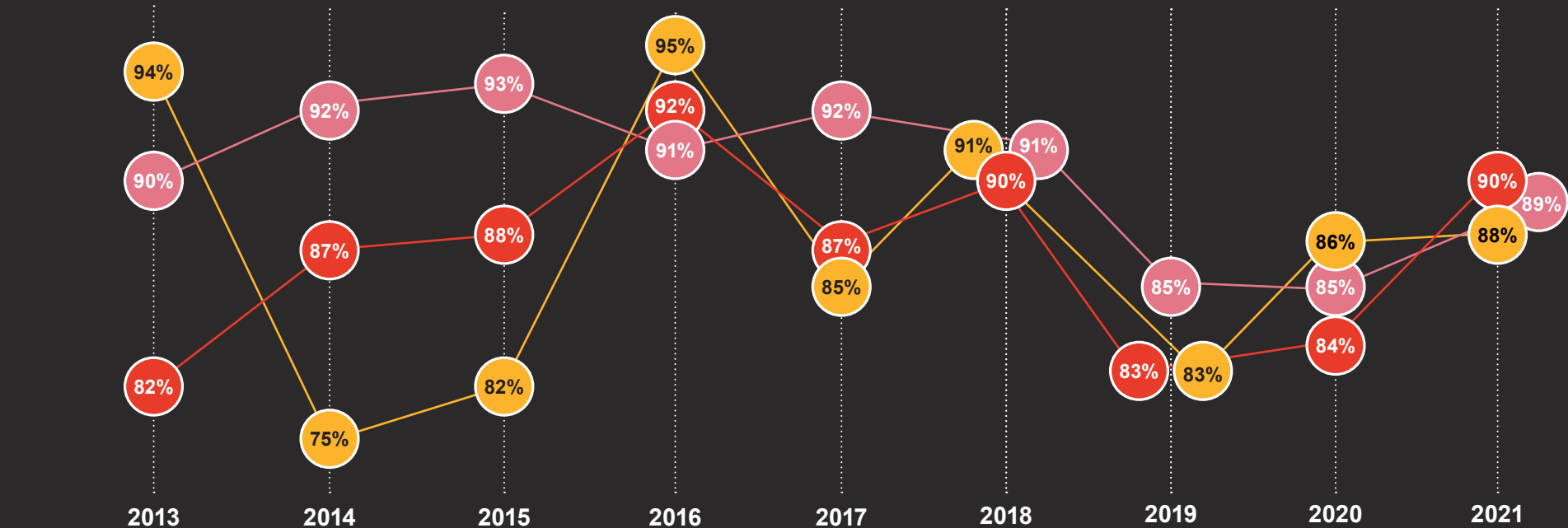


● Cyprus ● Eurozone ● Global




Respondents who stated very and somewhat confident about their organisation's prospects for revenue growth over the next 12 months.

Figure 5
 Revenue growth prospects over the next 3 years.
 9 year analysis.



● Cyprus ● Eurozone ● Global

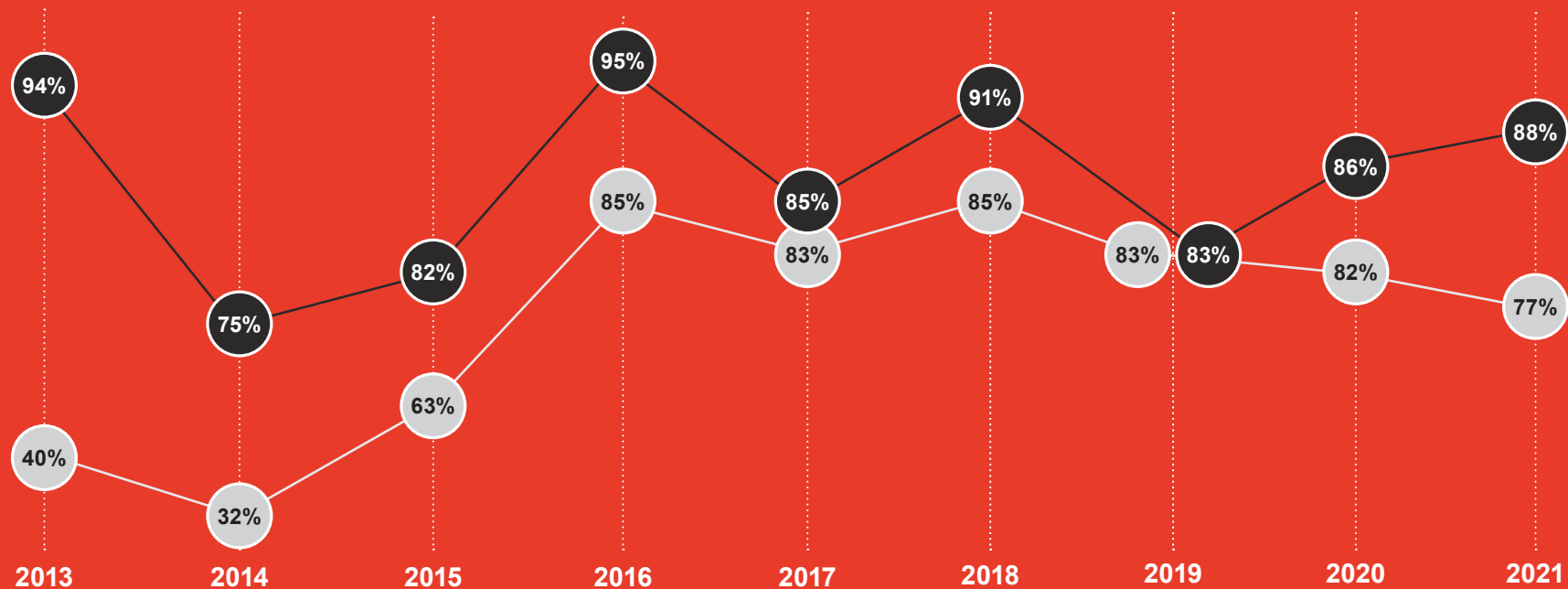
 Respondents who stated very and somewhat confident about their organisation's prospects for revenue growth over the next 3 years.

88% | Are confident about their organisation's prospects for revenue growth over the next 3 years.

Figure 6

Short and medium-term revenue growth prospects.
9 year analysis.

► Cyprus



● Next 3 years ● Next 12 months



Respondents who stated very and somewhat confident about their company's prospects for revenue growth.

What will help boost profitability?

When asked about their plans over the next months to achieve growth and profitability for their own business, more than half of the CEOs surveyed (64%) have said that the answer lies in seeking operational efficiencies, while 59% favour organic growth and 57% the introduction of new products and services. CEOs in the Eurozone and Globally have provided similar responses.

Entering new markets with the aim of driving revenue growth is the fourth most popular activity envisaged by CEOs in Cyprus over the next 12 months, once again with a particular

focus on the Greek market (41% compared with 42% last year), followed by 35% for the United Kingdom, a substantial increase of 14 percentage points since last year. This figure confirms the interest of Cypriot CEOs in the British market, especially in light of the trends and circumstances created by Brexit. The rise of Russia, Germany and Israel by 4, 6 and 7 percentage points respectively since 2020 is also worth noting.

For CEOs Globally, the top market for growth is the USA (35%) with an increase of 5% compared to 2020, followed by China with 28%.

Figure 7

Activities to drive revenue growth

Q: Which of the following activities, if any, are you planning in the next 12 months in order to drive revenue growth?

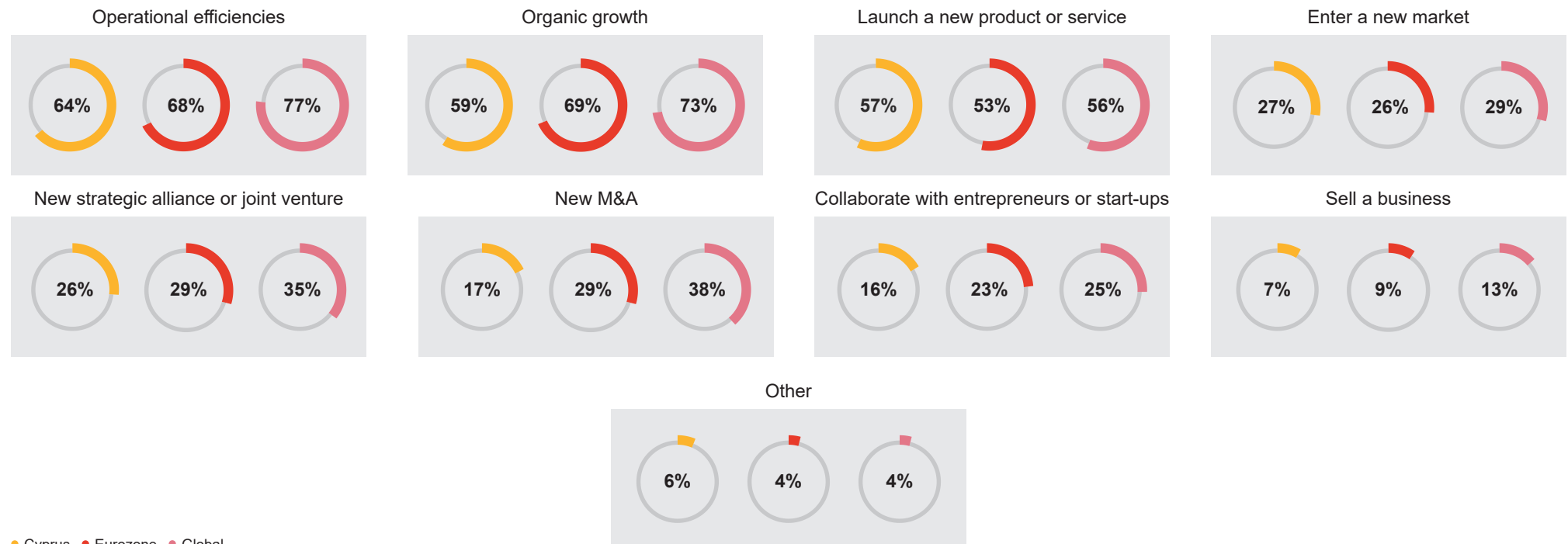
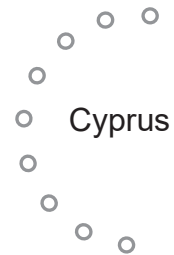


Figure 8

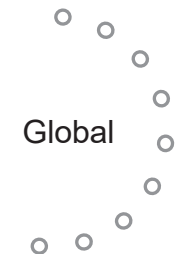
Important countries for overall growth prospects.

Q: Which three territories, excluding the territory in which you are based, do you consider most important for your organisation's overall growth prospects over the next 12 months?



	2021		2020
Greece	41%	-1%	42%
U.K.	35%	+14%	21%
Russia	18%	+4%	14%
None	17%	-7%	24%
Germany	16%	+6%	10%
Israel	13%	+7%	6%
USA	10%	0%	10%
China	9%	-6%	15%
Don't know	5%	+2%	3%
India	4%	-1%	5%
UAE	4%	0%	4%
Netherlands	4%	+3%	1%
Turkey	4%	+4%	0%

	2021		2020
USA	35%	+5%	30%
China	28%	-1%	29%
None	17%	-1%	18%
Germany	17%	+4%	13%
U.K.	11%	+2%	9%
India	8%	-1%	9%
Japan	7%	+1%	6%
France	6%	0%	6%
Brazil	5%	0%	5%
Australia	5%	-4%	9%
Canada	5%	+1%	4%



What are the main concerns of CEOs?

What are CEOs concerned about in this difficult period? What threats and challenges do they need to address to achieve profitability and growth for their companies?

As expected, the pandemic is the dominant issue, with 59% of CEOs in Cyprus expressing concern that a pandemic or health crisis is the number one threat to their business. During the conduct of the survey (January-February 2021), the situation with vaccinations and the supply of an adequate number of vaccines in each country was quite uncertain. It is worth noting that the last time we asked CEOs this question was six years ago, during the 18th Annual Global CEO Survey. Back then, in 2015, only 8% of CEOs in Cyprus expressed extreme concern about pandemics as a threat to their company's growth prospects.

Other than the pandemic, the top five business, economic, social and environmental threats include, in the case of Cyprus, uncertain economic growth with 53%, a significantly higher rate compared to last year's 32%, and geopolitical uncertainty, also with 53%. Uncertainty about economic growth as perceived by CEOs' on their own companies contradicts with their confidence about global growth. However, a large percentage is concerned about the impact of uncertain economic growth on their own organisation.

They are followed by policy uncertainty with 43% (a marked increase from 26% in 2020) and over-regulation with 39%. Cyber threats appear to be gaining ground in Cyprus compared with last year, with 34% as against 30% in 2020, but do not make it to the top five CEO concerns.

In contrast, cyber threats are among the top concerns for CEOs in the Eurozone with 41% and Globally with 47%, ranking second, their primary concern being also the pandemic. The focus on cyber threats is entirely justified, as companies shift towards digital operating models, especially after the emergence and spread of the pandemic. Organisations are sharing an ever-increasing amount of digital data, both internally and with their associates and clients. They are therefore exposed to new digital threats that put their cybersecurity at risk and need a strategic plan to navigate this new landscape.

Potential business, economic, policy, social and environmental threats

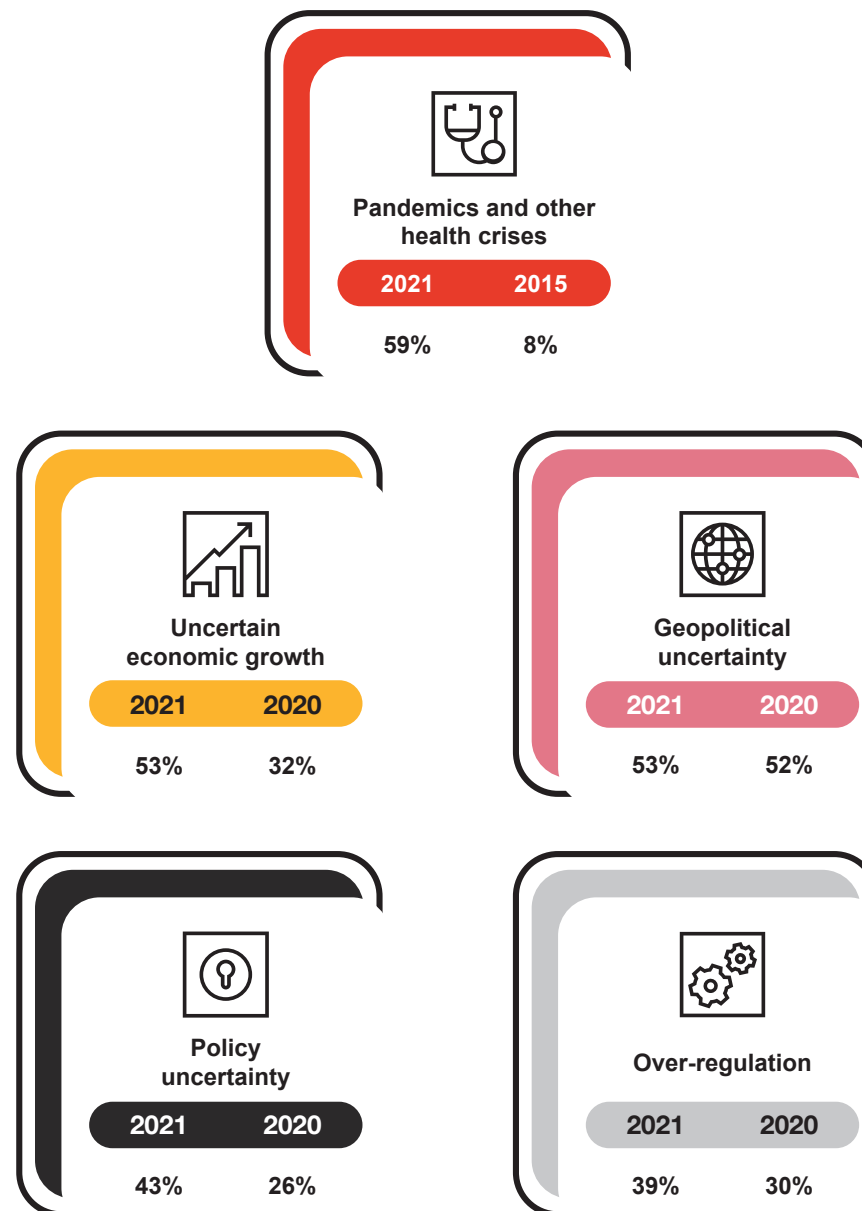
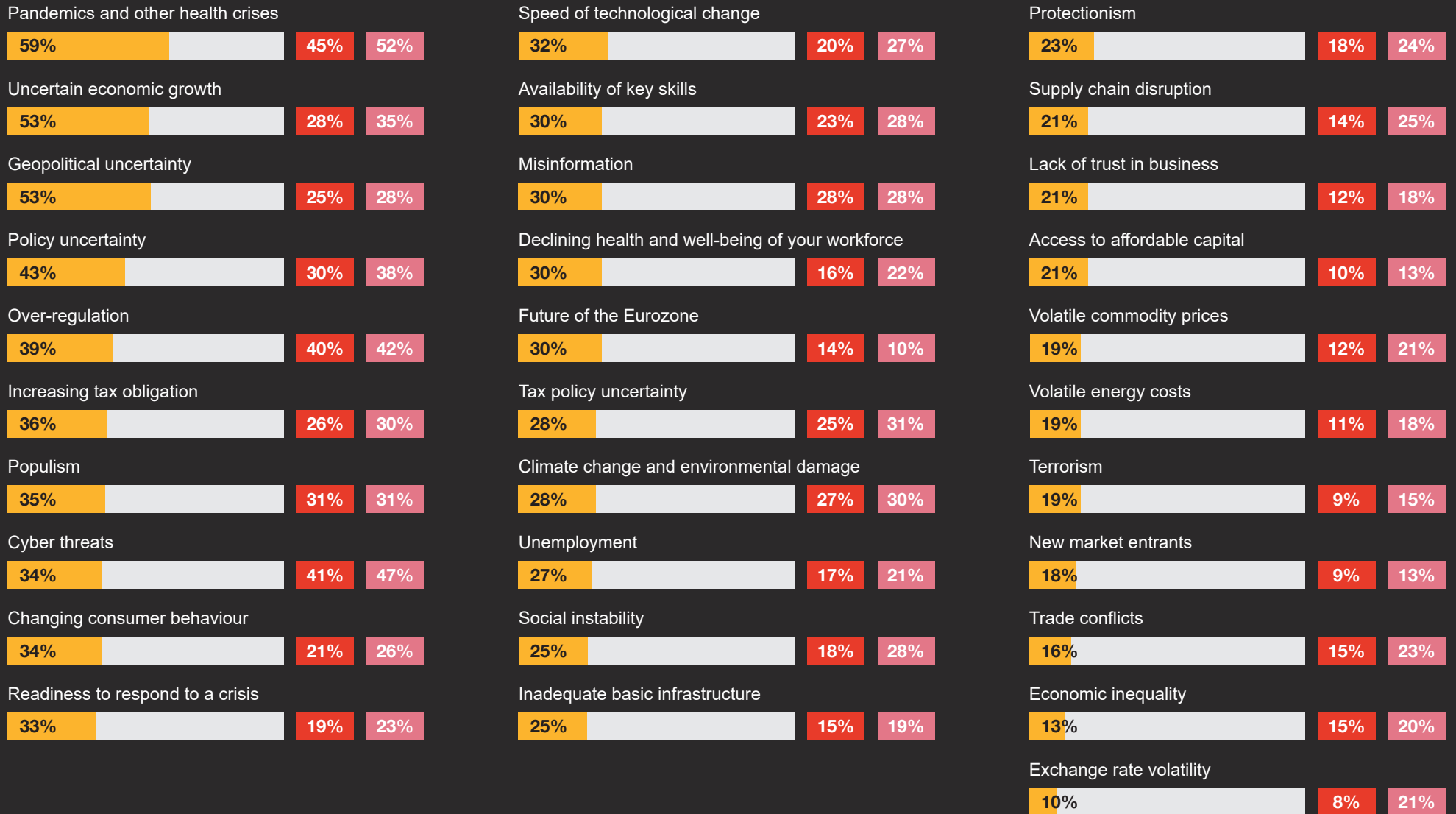


Figure 9

Q: How concerned are you about the following potential business, economic, policy, social and environmental threats to your organisation's growth prospects?



● Cyprus ● Eurozone ● Global



Respondents who stated "Extremely concerned".

Digital acceleration

Increased CEO concerns over cyber threats coincide with the acceleration of their companies' digital transformation amid the pandemic. Although many companies had already embarked on their digital transformation journey before the pandemic, they are now moving forward at full speed.

COVID-19 has significantly changed how businesses operate, their priorities and roles. From one moment to the next, we have all found ourselves working from home and carrying out our work on a computer. Last year's CEO survey, though conducted before the emergence of the pandemic, already included extensive references to the pace of change of technology and the availability of employee key skills. This year's circumstances have forced us all to adapt to this new model and develop our capabilities, while companies were faced with the imperative need to invest in their workforce, in view of ensuring a swift adoption of new technologies.

In Cyprus, 83% of CEOs are planning to increase their spending in digital transformation over the next three years. This is a long-term but necessary investment dictated by the new conditions on the business marketplace shaped by COVID-19.

The current situation marks a notable turnaround from 2010, after the global financial crisis, when the top investment priority for CEOs Globally was to realise cost efficiencies. In 2021, and despite the ongoing pandemic, actions to realise cost efficiencies come second for CEOs in Cyprus with 79%, followed by leadership and talent development, now considered a significant priority for the next three years by 71% of the respondents.

It is worth noting that a high percentage of CEOs in Cyprus with 52%, the Eurozone with 71% and Globally with 72% is placing cyber security and data privacy lower compared to the investments they are planning for their digital transformation.

CEOs in the Eurozone with 84% and Globally with 83% are putting their focus on digital transformation, which they consider as top priority.

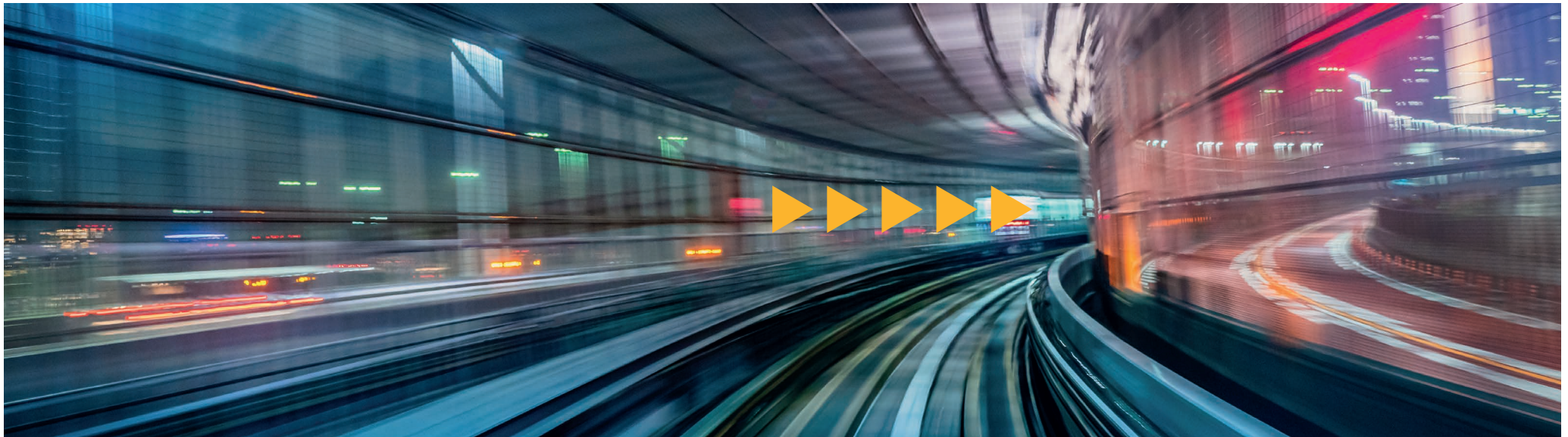


Figure 10

Changes in long-term investments over the next 3 years as a result of the COVID-19 crisis.

Q: How do you plan to change your long-term investments in the following areas over the next three years, as a result of the COVID-19 crisis?



● Cyprus ● Eurozone ● Global

*Initiatives to increase sales generated by existing business lines, **Fixed assets, such as land, machinery or buildings, ***Environmental, social and governance.

The climate change challenge

CEOs appear to be concerned about climate change and environmental damage but not to a large extent, as only 28% in Cyprus, 27% in the Eurozone and 30% Globally see this as a threat to their company's growth prospects.

Climate change and environmental damage

28%

27%

30%

Their response to the question on the threats that CEOs take into account in establishing their strategic risk management plan was along the same lines. Only 30% of business leaders in Cyprus, 38% in the Eurozone and 40% Globally factor climate change and environmental damage into their strategic risk management activities. The pandemic is, once again, by far the top threat, with the respective rates standing at 76% for CEOs in Cyprus, 63% in the Eurozone and 68% Globally. In the Cyprus survey, this is followed by uncertain economic growth with 70% and geopolitical uncertainty with 54%.



Figure 11

Threats factored into the strategic risk management activities.

Q: Which of the following threats, if any, are explicitly factored into your strategic risk management activities?



● Cyprus ● Eurozone ● Global

2020 was not only full of challenges, but also a landmark year when it comes to targets for reducing the emission of pollutants, with PwC announcing its commitment to achieve net zero greenhouse gas emissions by 2030.

In an effort to record, measure and report the key areas of impact and value for their companies, CEOs have determined where they need to focus first and highlighted the key areas of impact and value, in which they believe that their organisations should be doing more.

In this question, the environmental impact appears to have scored higher, as 33% of CEOs in Cyprus, 42% in the Eurozone and 39% Globally believe that they should be doing more in both measuring their actions and reporting them to the public.

However, the majority of CEOs in Cyprus with 56% believe that they should put their focus on innovation and 51% on their business strategy, as these two areas are of particular value to the local business community and they must therefore find ways to measure their relevant actions. With a similar rate of 55%, innovation is also the top area of impact and value for CEOs in the Eurozone and Globally, which they must find a way to measure.

Great concern is also expressed about how companies should report and present their actions. Innovation and business strategy, with 52%, seem to be a concern for CEOs in Cyprus in this regard as well.

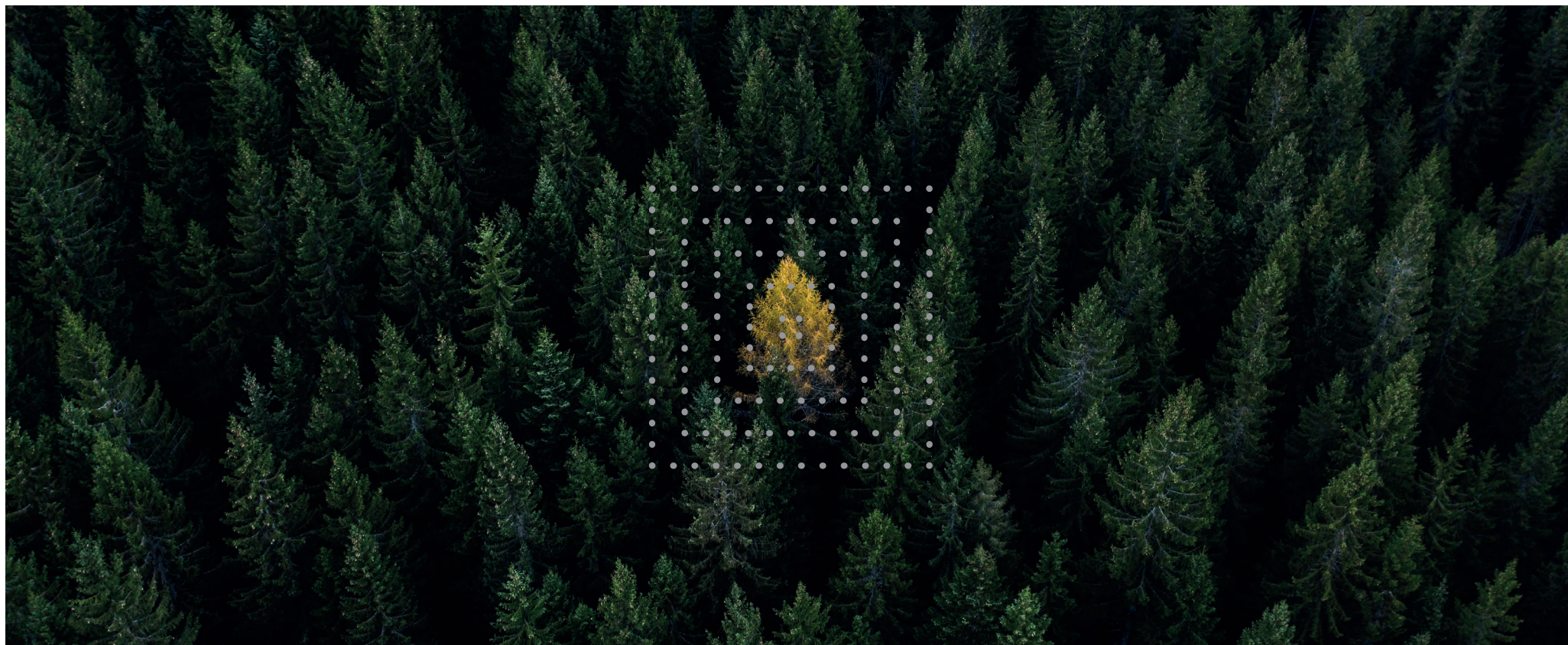


Figure 12

Measuring and reporting key areas of impact and value.

Q: In which of the following key areas of impact and value do you believe your organisation should be doing more to measure and report?



*By purpose, we mean the reason your organisation exists.

Our people are our top priority

When asked to prioritise corporate actions that could impact society in positive ways, 47% of CEOs in Cyprus have said that increasing productivity through automation and technology is at the top of their list. This is followed by a focus on the skills, adaptability and resilience of their workforce, with 42%.

Of course, it would make sense to think that productivity through automation would threaten to leave behind those who fail to adopt technology. The pandemic has widened this gap and increased concerns about the future. The response, however, lies in investing in the upskilling of the organisation's workforce. This is the only way to create a sustainable and inclusive economy.

Two years ago, PwC launched its "New World. New Skills" programme, a reflection of the international network's commitment to deal with the growing mismatch between existing skills and those required in the digital world. As part of the global initiative, a total of \$3bn will be invested over four years. On a local level, PwC Cyprus is committed to invest €2mn over four years in actions and initiatives that aim to spread digital knowledge and strengthen the skills considered essential in the digital era.

Against this backdrop, 43% of CEOs in Cyprus have said that their headcount has stayed the same as last year, while 39% expect this to be the case over the next 12 months as well. However, the outlook on a three-year horizon is quite different, as only 8% of respondents believe that their headcount will stay the same. And this, of course, is due to the fact that an overwhelming majority of 80% actually intend to increase their headcount over the next three years.

In Cyprus, 30% of CEOs have stated that they have increased their headcount over the last 12 months, with 46% intending to do so over the next year compared to 62% last year.

However, a comparison of recent years reveals a marked decline in the intention of CEOs in Cyprus in 2021 to increase their headcount in the upcoming period. This was to be expected, given the prevailing uncertainty, as the scale of the actual impact of the pandemic on the economy is not yet fully known.



Figure 13

Changes in the workforce strategy to enhance competitiveness.

Q: Which aspects of your workforce strategy are you changing, if any, to make the greatest impact on your organisation's competitiveness?

Our focus on productivity through automation and technology



Our focus on skills and adaptability in our people



Our workplace culture and behaviours



Our focus on the health and well-being* of our workforce



Our reputation as ethical and socially responsible employers



Our approach to performance management



The pay, incentives and benefits we provide to our workforce



Our focus on our pipeline of leaders for tomorrow



Our workforce engagement and communications



Our use of workforce data and analytics



The locations of our operations



Our focus on diversity and inclusion



Our global mobility programmes



● Cyprus ● Eurozone ● Global

*Including offering flexible working arrangements and work/life balance.

Figure 14

Changes in the headcount.

Q: How has your organisation's headcount changed in the last 12 months, and how do you expect it will change in the next 12 months and the next 3 years?

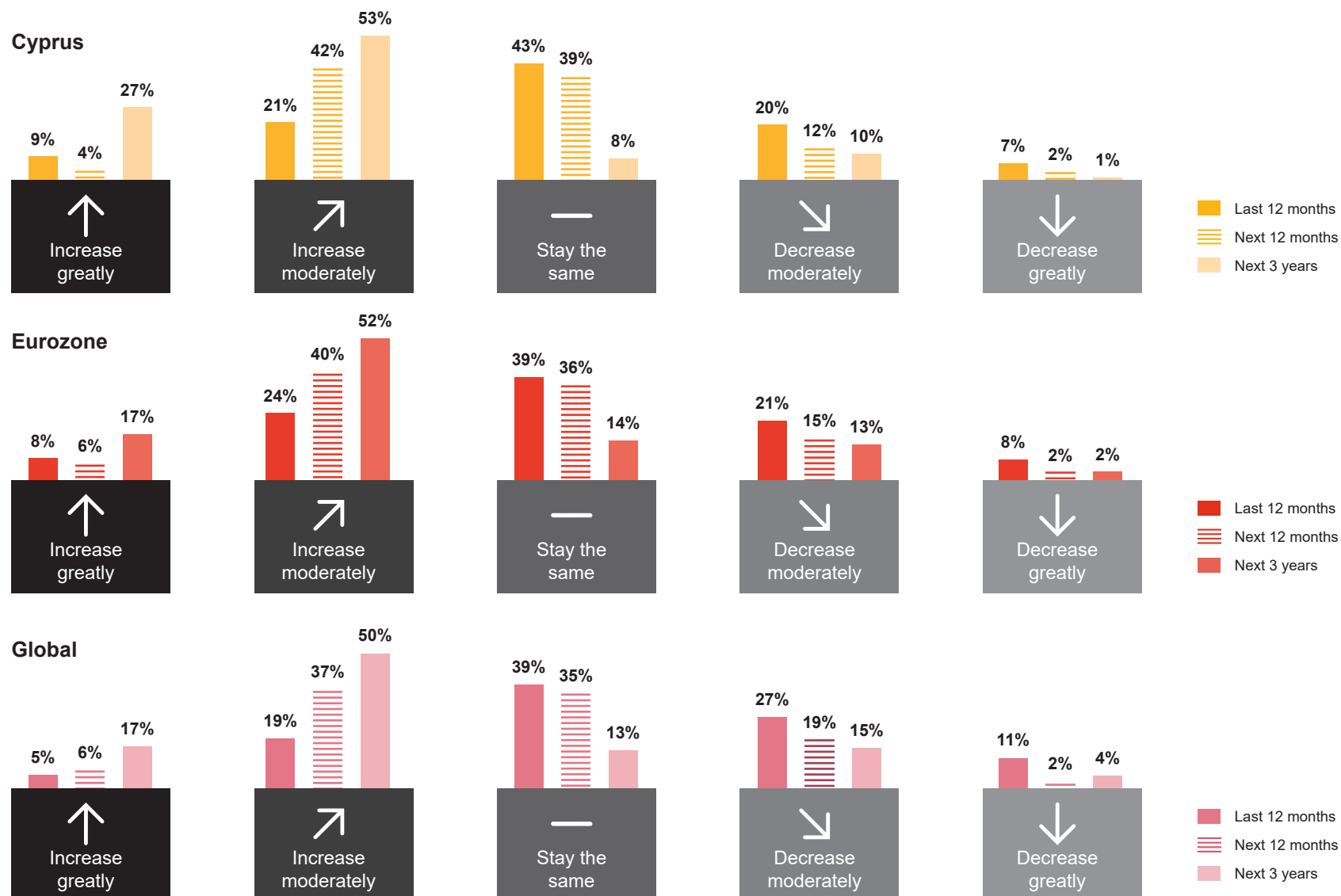
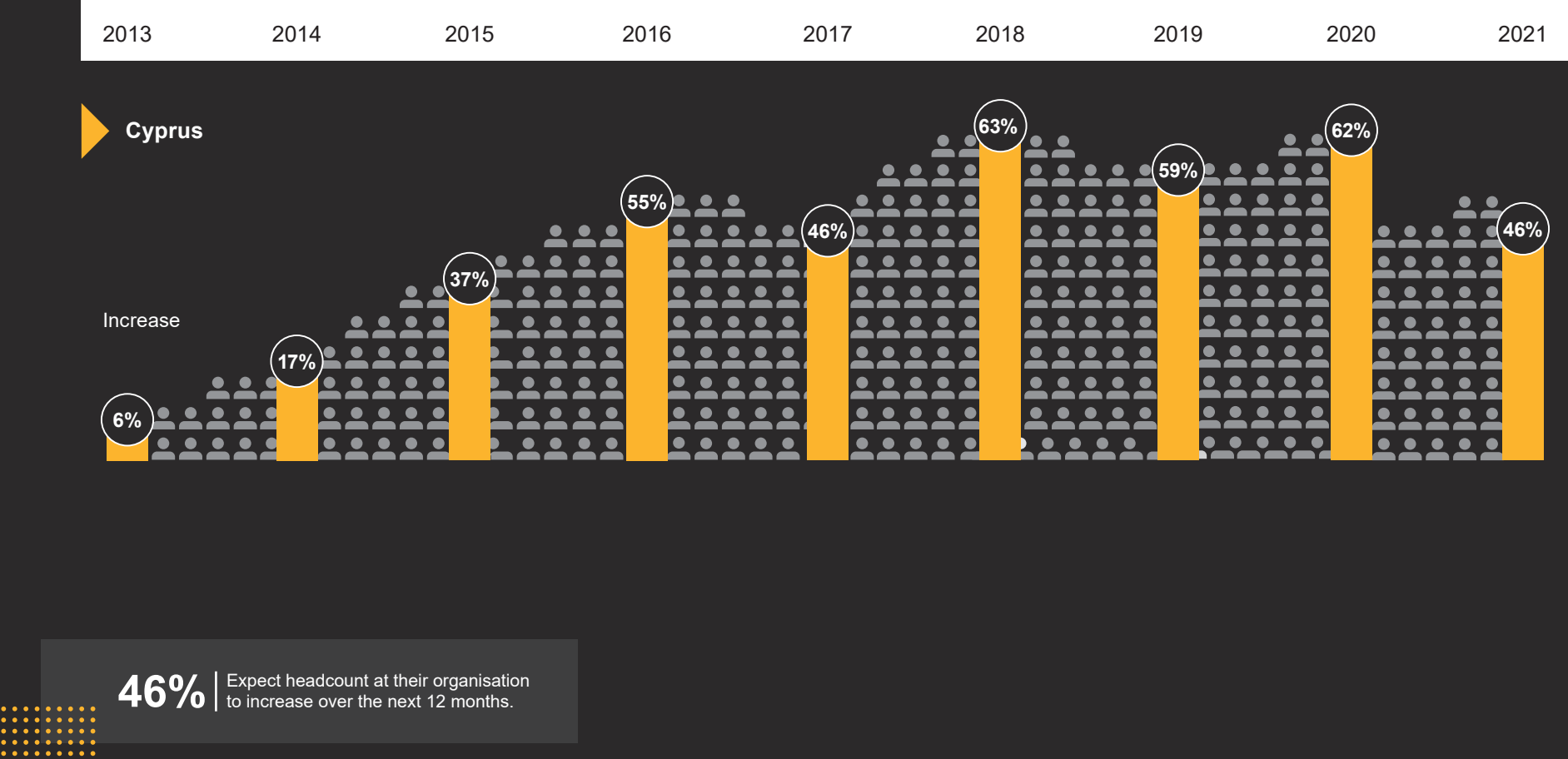


Figure 15
Headcount increase in the next 12 months.
9 year analysis.



The pandemic is still here!

A lot has already been done and efforts are still ongoing to help the business community rebound and support the sectors which have been hit the hardest by the pandemic. State support through financial aid packages and the full use of the tools provided by the European Union are the main pillars of support for the Cyprus economy.

The total expenditure for the special measures introduced by the Government since last March to support employees and businesses stands at €1.6bn, of which €650mn are directed to employees and €950mn to businesses. At the same time, only in the last three months since January, the European Commission has approved the amount of €593mn to support companies and self-employed individuals affected by the pandemic.

In addition, the EU's Recovery and Resilience Facility will make available to member states a total of €672.5bn in the form of loans and grants aimed at supporting reforms. Thanks to

the Recovery and Resilience Facility, member states will be able to mitigate the economic and social impact of the COVID-19 pandemic, while enhancing the sustainability and resilience of their economies through embracing green transition and digitalisation.

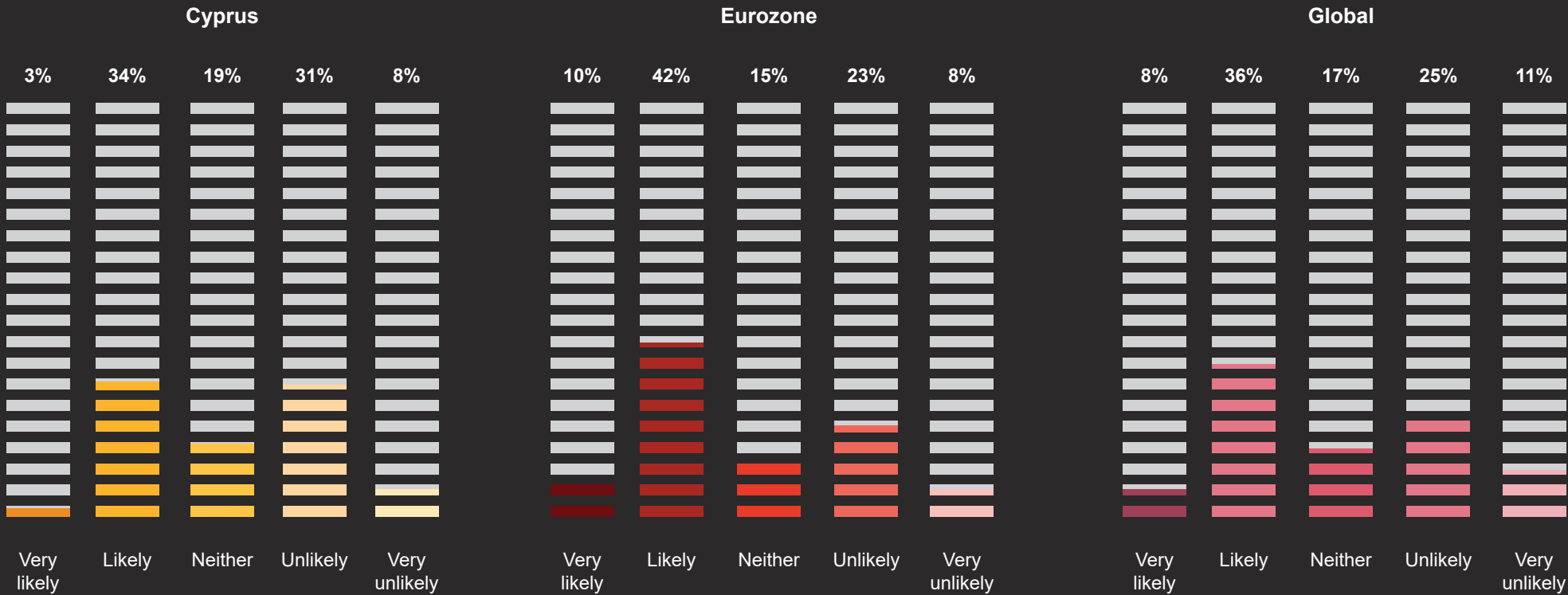
When asked about the effectiveness of the economic recovery plan and how likely it is that it will effectively balance short-term economic needs with long-term environmental goals, 37% of CEOs in Cyprus replied that this is likely, as against 39% who consider this unlikely.

CEOs in the Eurozone with 52% and Globally with 44% are more positive and believe that it is indeed likely that the recovery plan will effectively balance short-term economic needs with long-term environmental goals.



Figure 16
Recovery plan effectiveness.

Q: How likely is it that the government’s recovery plan in the country/territory in which you are based will effectively balance short-term economic needs with long-term environmental goals?



37% | Believe that the government’s recovery plan can effectively balance short-term economic needs with long-term environmental goals.

Taxation. A thorny issue

Governments are striving to mitigate the impact of the pandemic, both on the domestic economy and on citizens, and have therefore taken on substantial public debt. It may come as no surprise that tax policy uncertainty has risen significantly on the list of threats, as CEOs are watching public debts accumulate.

Governments across the world have supported their economies through special financial stimulus packages to enable businessmen to cope during the first lockdowns, but also more recently, adding to the burden of an already high government debt. The President of Eurogroup, Paschal Donohoe, has expressed the will of all member states, without exception, to continue supporting their economies going forward in 2022, so that states can gradually restore healthy public finances, with the help of the tools approved by the European Commission.

The debate on tax policy, especially during these challenging times for our economies, can become quite confrontational. But what we need is balance and fairness. We need balance because taxes are a global issue that affects investments in various countries, how companies operate and where people work from. Fairness can help set certain standards on tax reporting, as transparency is the cornerstone for building trust. And we need both: transparency and trust!

The above justify the responses of CEOs on tax policy changes and how these can help governments address rising debt. The majority of CEOs in Cyprus with 70%, in the Eurozone with 62% and Globally with 65% say that an increase in taxes would lead their organisation to reconsider its cost structure. At the same time, more than half believe that this would also impact their decision-making and planning.

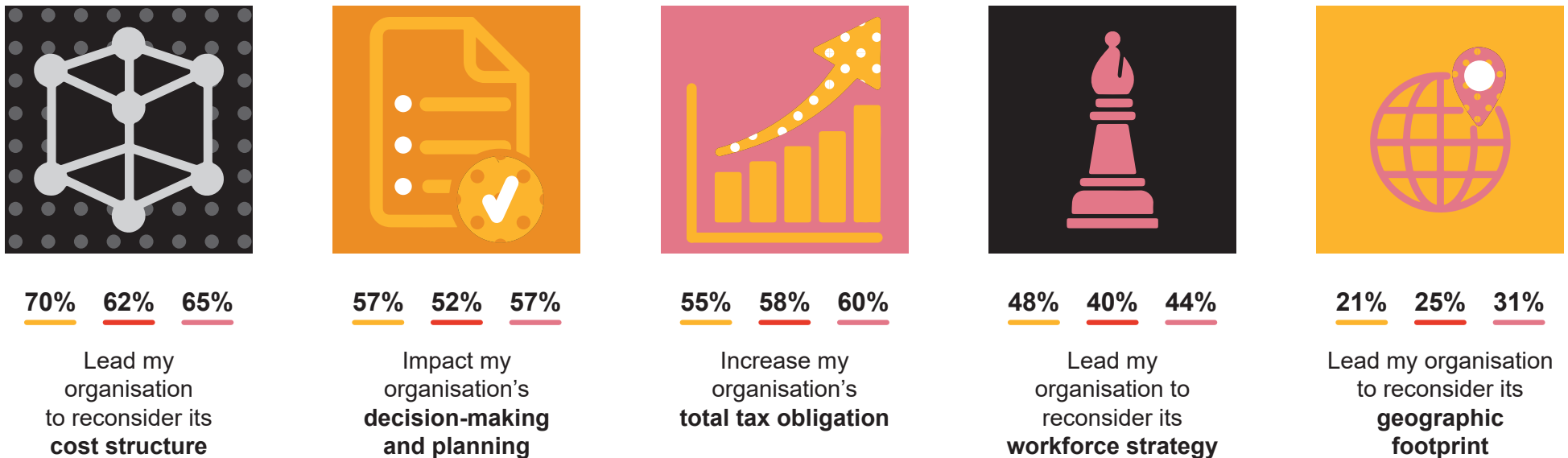


Figure 17

Tax policy changes to address rising government debt levels.

Q: How strongly do you agree or disagree with the following statements?

Tax policy changes to address rising government debt levels in the country territory in which you are based will:



● Cyprus ● Eurozone ● Global



Respondents who stated "Agree" and "Strongly Agree".

Changes in the purpose and priorities as a result of COVID-19

The question of whether they would make any changes to their organisational purpose as a result of the COVID-19 crisis is of particular interest. 39% of CEOs in Cyprus are positive to introducing changes to their organisational purpose to better reflect the role that their

organisation plays in society. That said, 41% of CEOs in the Eurozone and 45% Globally do not think that any changes to their organisational purpose are required.

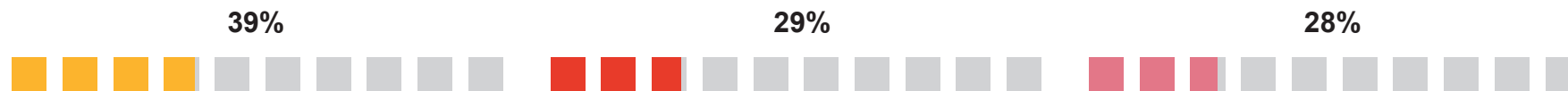


Figure 18

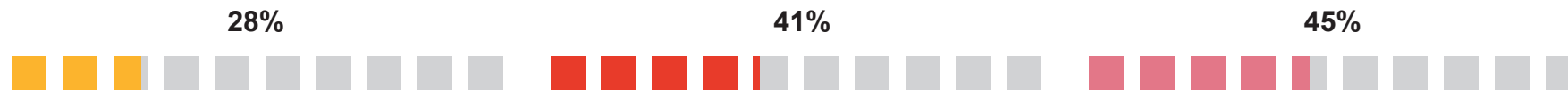
Changes to organisational purpose as a result of the COVID-19 crisis.

Q: As a result of the COVID-19 crisis, are you making any changes to your organisational purpose* to better reflect the role your organisation plays in society?

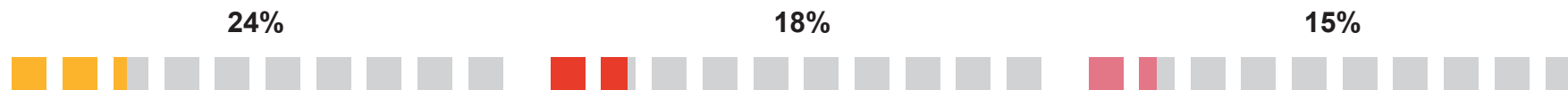
Yes, we are making changes



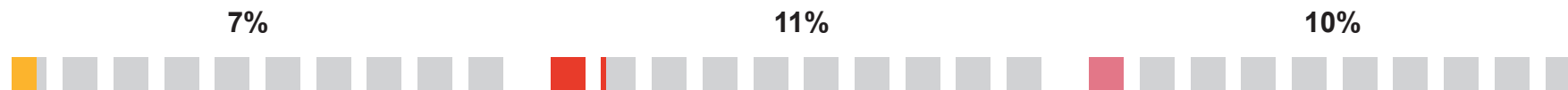
No, we don't believe that changes are required



Not yet, but we are considering making changes



We have not considered making changes



● Cyprus ● Eurozone ● Global

*By purpose, we mean the reason your organisation exists.

As regards government and business priorities, these vary depending on the country in which CEOs are based. But what is important for each country and how are governments and businesses choosing their priorities in view of achieving a swift recovery and economic growth?

For CEOs in Cyprus, the government's top priorities should be an adequate physical and digital infrastructure (63%), a skilled, educated and adaptable workforce (52%) and an effective and flexible tax system (44%). Concerning business priorities and the areas in which they should

focus, a skilled, educated and adaptable workforce tops the list with 62%, followed by an adequate physical and digital infrastructure with 61% and the good health and well-being of the workforce with 43%.

CEOs in the Eurozone and Globally agree with the above views, considering that a skilled, educated and adaptable workforce should be the top priority both for governments and businesses.

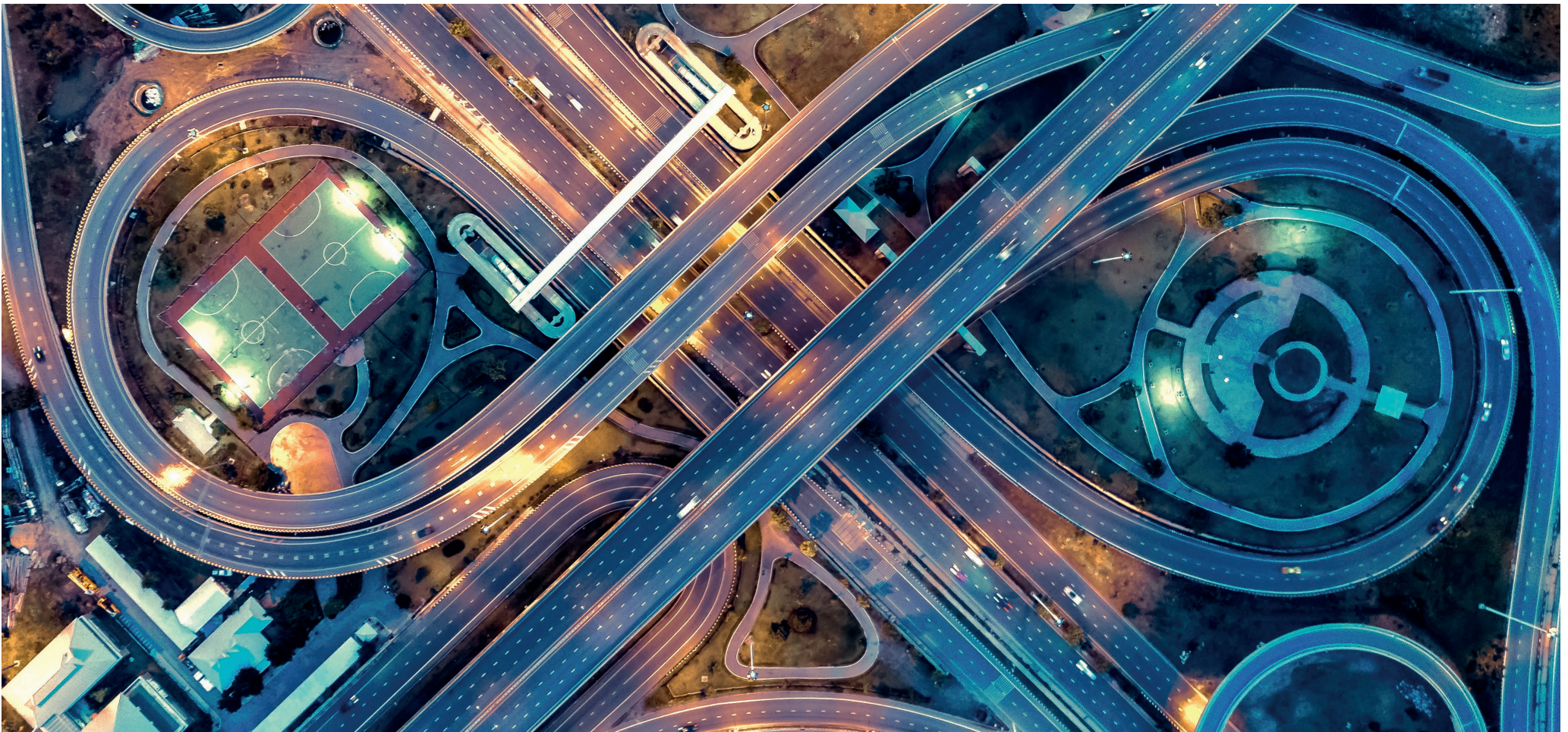
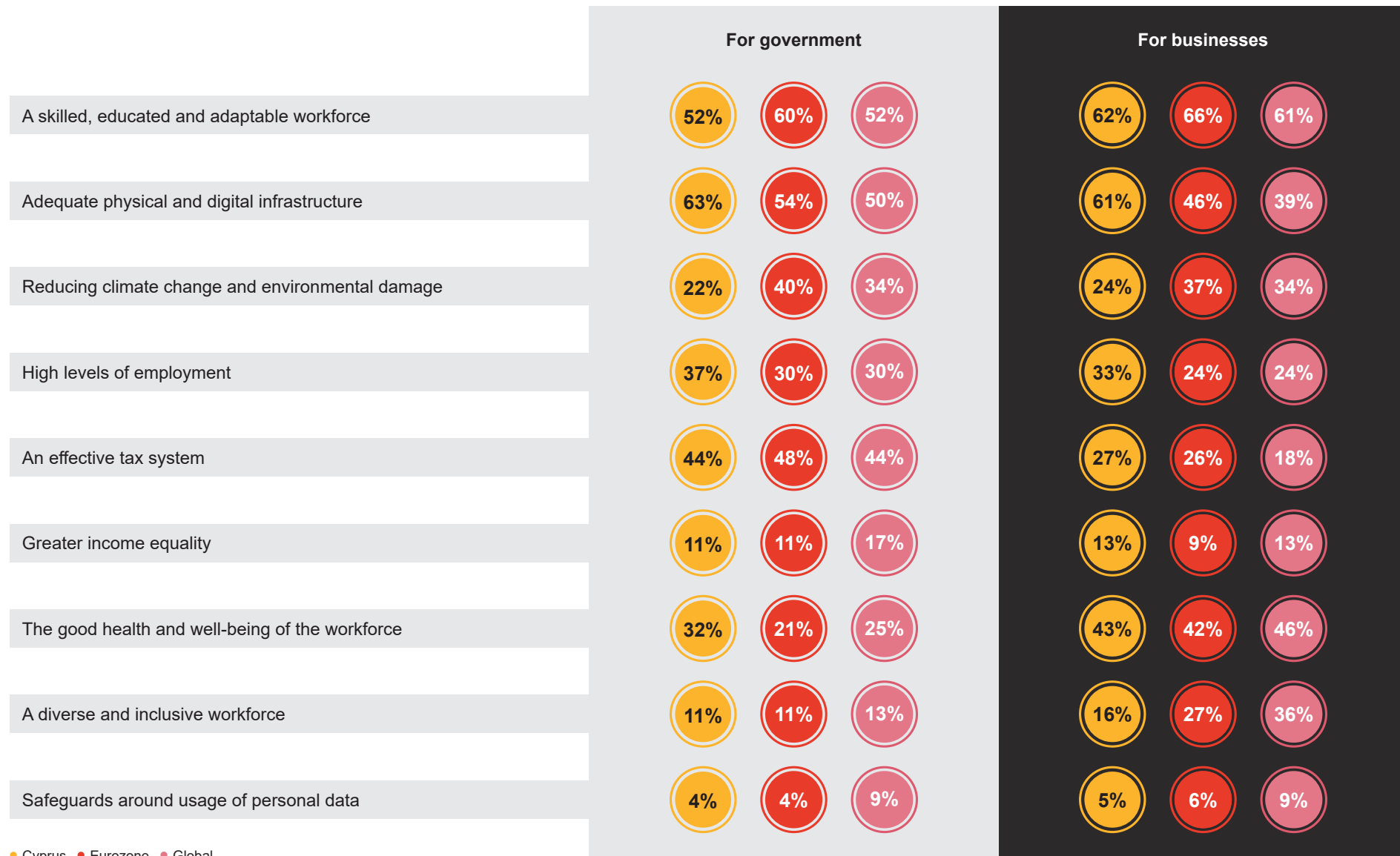


Figure 19

Government and business priorities.

Q: Which three of these outcomes do you think should be government and business priorities in the country/territory in which you are based?



The COVID-19 crisis has forced businesses and organisations to ask themselves how prepared they are to address an unexpected situation of this magnitude. This ongoing crisis has been a tough test on what each organisation can handle, what they have done right, their weaknesses and the areas requiring more focus, as well as what needs to change to enable constant adaptation to unfolding circumstances.

CEOs in Cyprus believe, with 96%, that they should reassess their organisation's tolerance for risk, while 90% feel they should prepare for systemic risk and low-probability, high-impact events. CEOs in the Eurozone and Globally share the same top priorities.



Figure 20

Increasing risk management focus as a result of the COVID-19 crisis.

Q: With respect to your organisation's approach to risk management, to what extent are you increasing your focus in the following areas as a result of the COVID-19 crisis?



Only for Cyprus

This year, we had the opportunity to include in the survey, for the first time, a question addressed exclusively to CEOs in Cyprus. We chose to gather the views of the Cypriot business community on what can help achieve a rapid return to growth.

For CEOs in Cyprus, a better physical and digital infrastructure is what is needed the most for return to growth (19%), followed by increased financial support from the state (17%), additional government support for the adoption of new technologies (16%) and better public-private cooperation (15%).

Return to sustainable growth will be achieved through the promotion of reforms to help restart and transform the economy. According to a recent PwC survey titled “Restart Cyprus: Now”,

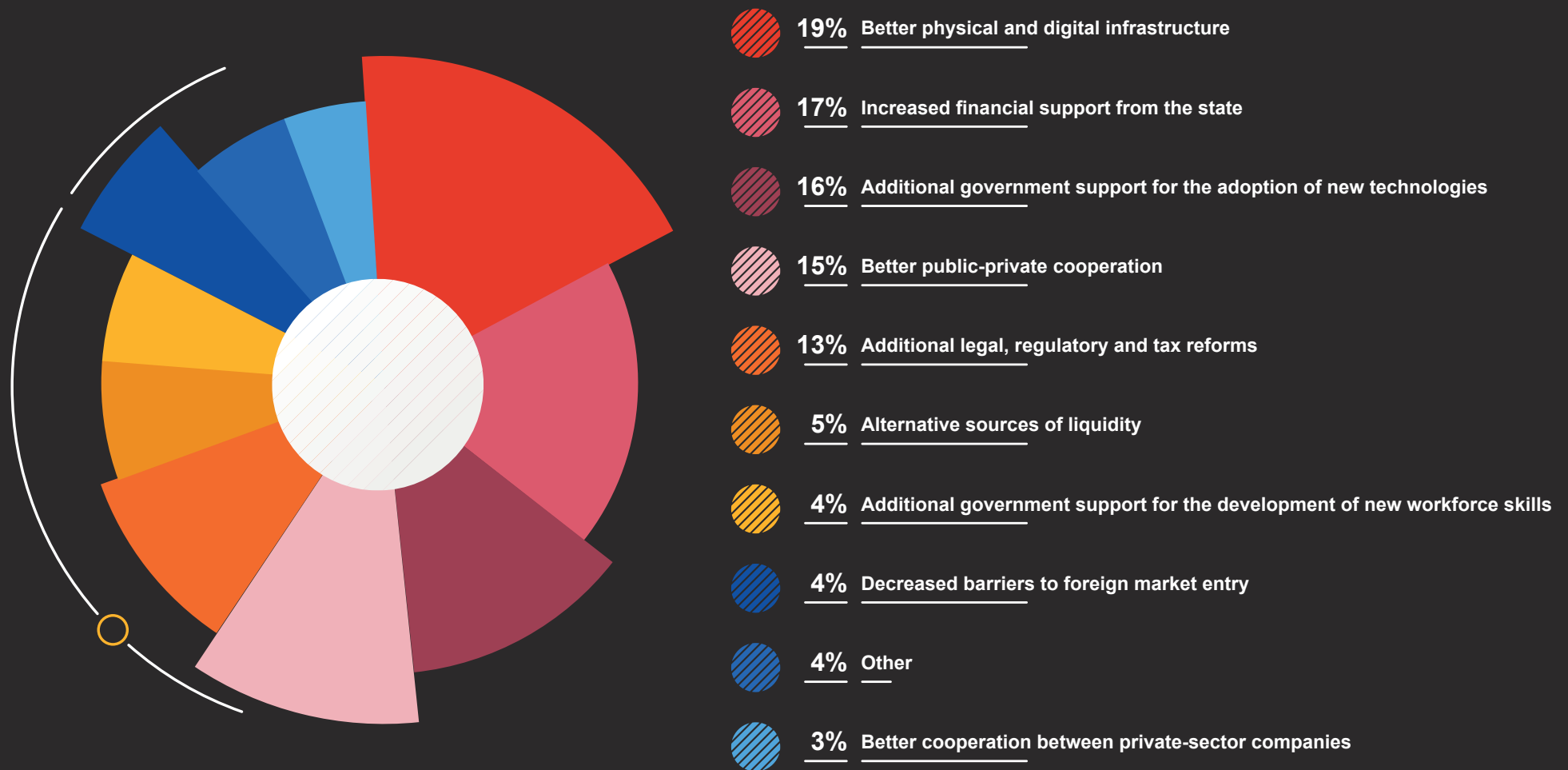
prefaced by Sir Christopher Pissarides, Nobel Prize laureate in Economic Science, we must transform our economy and businesses to meet the requirements of the 21st century, in line also with EU’s orientation towards a digital and green economy. More specifically, the survey includes specific propositions for reforms in the areas of the environment and sustainability, the public sector, horizontal and vertical reforms for the development of an ecosystem for innovation, the acceleration of the transformation of the private sector through digitalisation, the reinvention of our education system and the development of Cyprus as an international tertiary education destination, and finally the promotion and encouragement of investments in agriculture, and especially in agrotech. Through actions in all of the above areas and by taking full advantage of our European cultural heritage, we can look to the future with optimism.



Figure 21

Return to growth. What does the Cyprus business community need?

Q: What does the Cyprus business community need most today in order to achieve a rapid return to growth?



% ranked 1

Conclusion



Conclusions by the CEO of PwC Cyprus, Evgenios Evgeniou.

2021 is a landmark year, as we celebrate the 10th anniversary since the launching of the local CEO survey, as a separate part of the global survey. It was back in 2011, when 31 CEOs embraced this effort and voiced their views, concerns and expectations for the future, playing their own part in helping us reach this year's record number of 135 respondents. I would like to thank you for your time and support. But more importantly, I thank you for being part of this greater effort, which aims to highlight important issues and support the business community in achieving their goals and addressing new challenges.

As expected, this year's Global CEO Survey, but also the local survey, have highlighted a major issue. The pandemic and its impact on the economy and competitiveness of each country.

In the case of Cyprus, we note the optimism of CEOs regarding global economic growth, but also revenue growth in their own companies. In addition to the pandemic, CEOs are also concerned about geopolitical uncertainty, uncertain economic growth and policy uncertainty. The emerging post-COVID 19 environment is also affecting the long-term investments of CEOs, who are now shifting their focus to digital transformation. This year, CEOs also appear quite concerned about how to measure and report their actions, especially with regard to innovation and business strategy. Climate change seems to raise some concern, but apparently not enough to make it to the top of their list of concerns. Tax policy is a controversial issue among CEOs, as they are troubled about how best to address increased levels of public debt.

Finally, the question included in this year's local survey specifically for CEOs in Cyprus is indeed an interesting one. Their responses reveal the sentiment that an appropriate physical and digital infrastructure is necessary for a return to growth and that companies require increased financial support from the state.

Concluding, I would like to once again warmly thank the 135 CEOs in Cyprus who participated in our survey! The fact that an increasing number of CEOs in Cyprus are participating in our survey year after year, joining their voices with those of CEOs across the world, is a great honour for PwC. Your positive response and encouragement gives us the strength to keep going.

We hope that our survey will be a useful tool in the joined effort for a better tomorrow.



© 2021 PricewaterhouseCoopers Ltd. All rights reserved. PwC refers to the Cyprus member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.



Download the report