PwC’s 28th Annual Global CEO Survey

From resilience to reinvention

East Africa perspective

March 2025

www.east-africa/ceo-survey.pwc.com

Highlights

Economic sentiment and performance

- **Positive economic outlook:** East Africa CEOs are optimistic about their territory's economic growth, with 72% expecting growth in the next 12 months.
- **Global economic growth:** 66% of the region's CEOs anticipate a global economic growth in the next 12 months, a significant increase from the previous year's 42%, and higher than the global average of 58%.
- **Confidence in future growth:** 44% of East Africa CEOs are 'cautiously confident' about their company's revenue growth in the next 12 months, with only 44% expressing 'confidence'. There is greater confidence in the medium term, with 58% of CEOs 'extremely confident' about their company's performance when a three-year outlook is considered.
- **Key threats:** Macroeconomic volatility, inflation, and cyber risks were seen as major threats in the next 12 months.

Reinvention

- **Long-term viability:** More than half of the East Africa CEOs believe their companies will be viable for more than 10 years if they continue their current path.
- **Innovation and adaptation:** Companies are focusing on innovation and adapting to market conditions, including adopting new technologies and business models.
- **Internal challenges:** Lack of necessary skills, organisational inefficiency, and implementation difficulties are key internal factors affecting business viability.

AI

- **Impact on employment:** Contrary to popular belief, 70% of CEOs report little to no change in headcount due to generative AI.
- **Efficiency and profitability:** Generative AI has increased efficiencies and is expected to boost profitability, with 53% of CEOs anticipating increased profitability in the next 12 months

Climate action

- **Climate-friendly Investments:** Companies have initiated climate-friendly investments in the last five years, although certain factors have inhibited further investments in the last 12 months.

These themes highlight the optimism among East Africa CEOs regarding economic growth, the focus on regional expansion, the importance of innovation, and the positive impact of generative AI and climate-friendly investments on their businesses.

Foreword

East Africa CEOs remain optimistic

I am very pleased to bring to you this edition of our East Africa CEO Survey, which highlights the views of more than 160 CEOs in the region, including Mauritius and Zambia.

Despite ongoing geopolitical and trade tensions, CEOs in East Africa are optimistic about the global economy's future. Nearly 66% of them anticipate an improvement in global growth over the next 12 months, a significant increase from 42% last year. Additionally, they remain generally confident about their own companies' prospects. Interestingly, more than twice as many CEOs plan to expand their headcount (44%) compared to those who expect to downsize it (14%).

Reinvention as a strategic imperative remains the main theme of this year's report, as East African CEOs remain focused on innovation and adapting to evolving market conditions. According to them, Generative AI (GenAI) has enhanced efficiencies and is projected to increase profitability for 53% of CEOs over the coming year.

It's not surprising that macroeconomic volatility, inflation and cyber risks remain the major external threats for this region's CEOs, paired with short term challenges such as fluctuating commodity prices, political instability or immediate economic disruptions. In addition, several challenging internal factors will need to be addressed by East Africa CEOs in the next 10 years – quite aligned with the current global trends: lack of skills, organisation efficiency and implementation.

The region is also facing some serious environmental challenges brought on by climate change and thus, impacting agriculture, food security and hence livelihoods. Addressing these challenges requires coordinated efforts in climate adaptation and mitigation strategies to build resilience in the region.

This is an exciting time of change as technological disruption and other megatrends are driving a fundamental reconfiguration of our production systems as we know them today, creating new domains of growth. The shifts businesses need to make will take time, but it is more than encouraging to see that CEOs are full speed into their reinvention journey despite the challenges they face.

If you would like to discuss any points mentioned in this report, please feel free to reach out to me or any of the PwC subject matter professionals profiled in this report.

Peter Ngahu
Regional Senior Partner, Eastern Africa

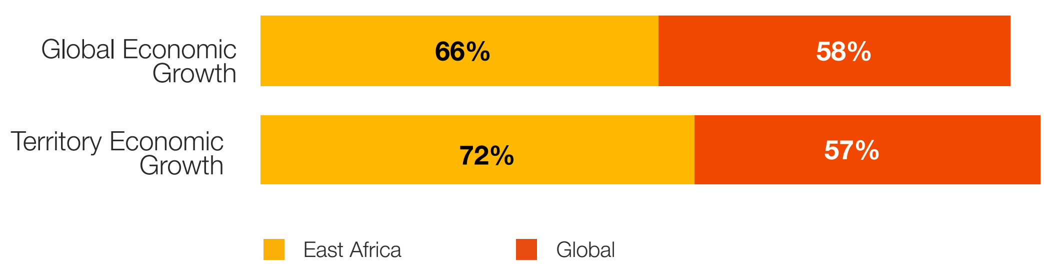
1. Economic outlook and performance

According to the African Development Bank (AfDB), “East Africa is expected to maintain its position as Africa’s fastest growing region, with real GDP growth rising from an estimated 1.5% in 2023 to 4.9% in 2024 and 5.7% in 2025”. Important key infrastructure projects are taking place, including transportation networks and communication systems. As such, it is no surprise from the East Africa CEOs surveyed to see a positive sentiment on their territory’s economic growth prospects, with 72% of them indicating that they foresee growth for their economy in the next 12 months.

> These CEOs share the same sentiment regarding global economic growth, with 66% of them expecting growth in the next 12 months

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

(Showing % that answered ‘NET: Improve’)

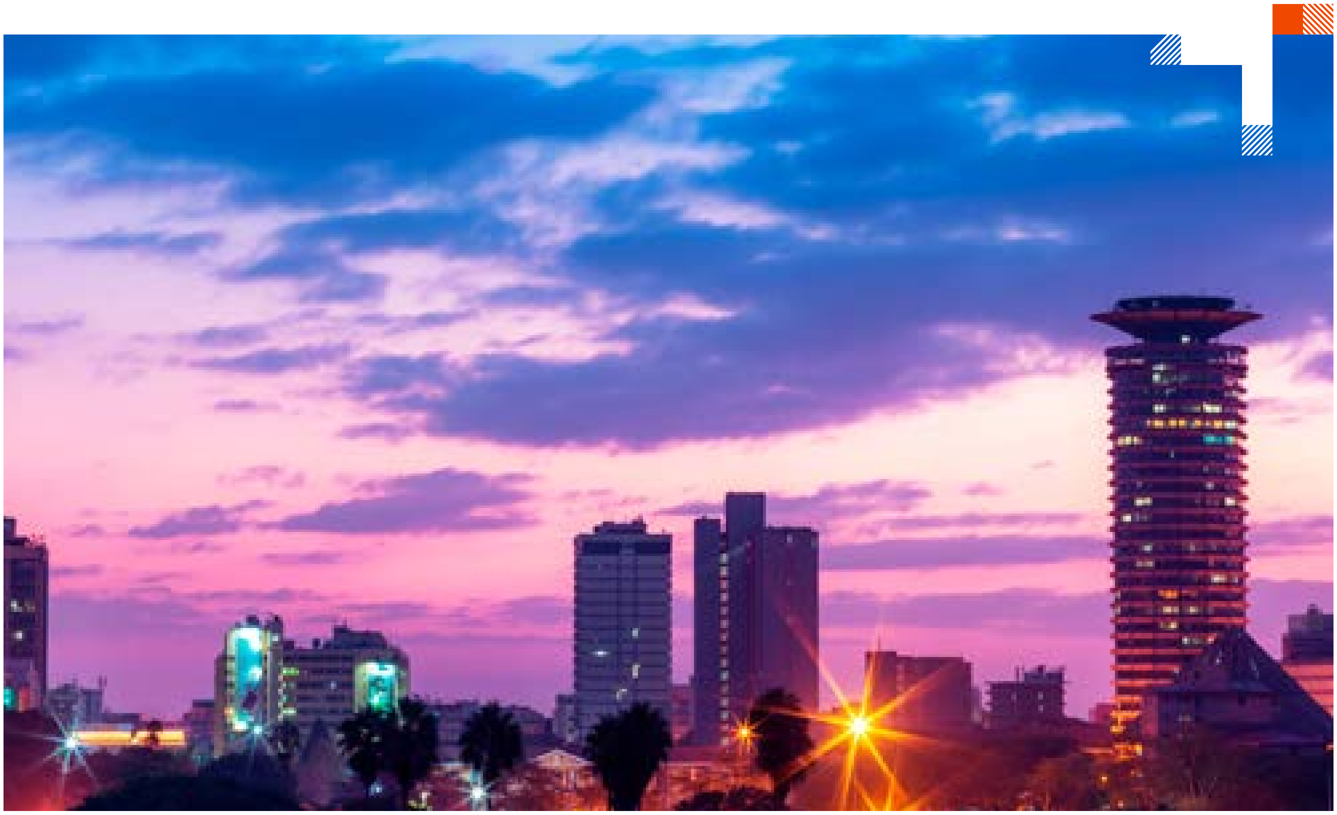


Source: PwC’s 28th Annual Global CEO Survey

Prospects for revenue growth:

CEOs are cautiously confident about their company's prospects for revenue growth in the next 12 months. However, this confidence is amplified in the medium term, with 58% of them indicating extreme confidence in this regard. According to the AfDB, Governments in East Africa are implementing policies aimed at improving the business environment, such as reducing bureaucratic hurdles, improving access to finance, and investing in infrastructure. These policies are likely to have a more pronounced impact over the next few years which might be the reason why East Africa CEOs are more confident when a three-year outlook was considered. - (Sources: Africa Development Bank, Africa Policy Research Institute, OECD, UN).

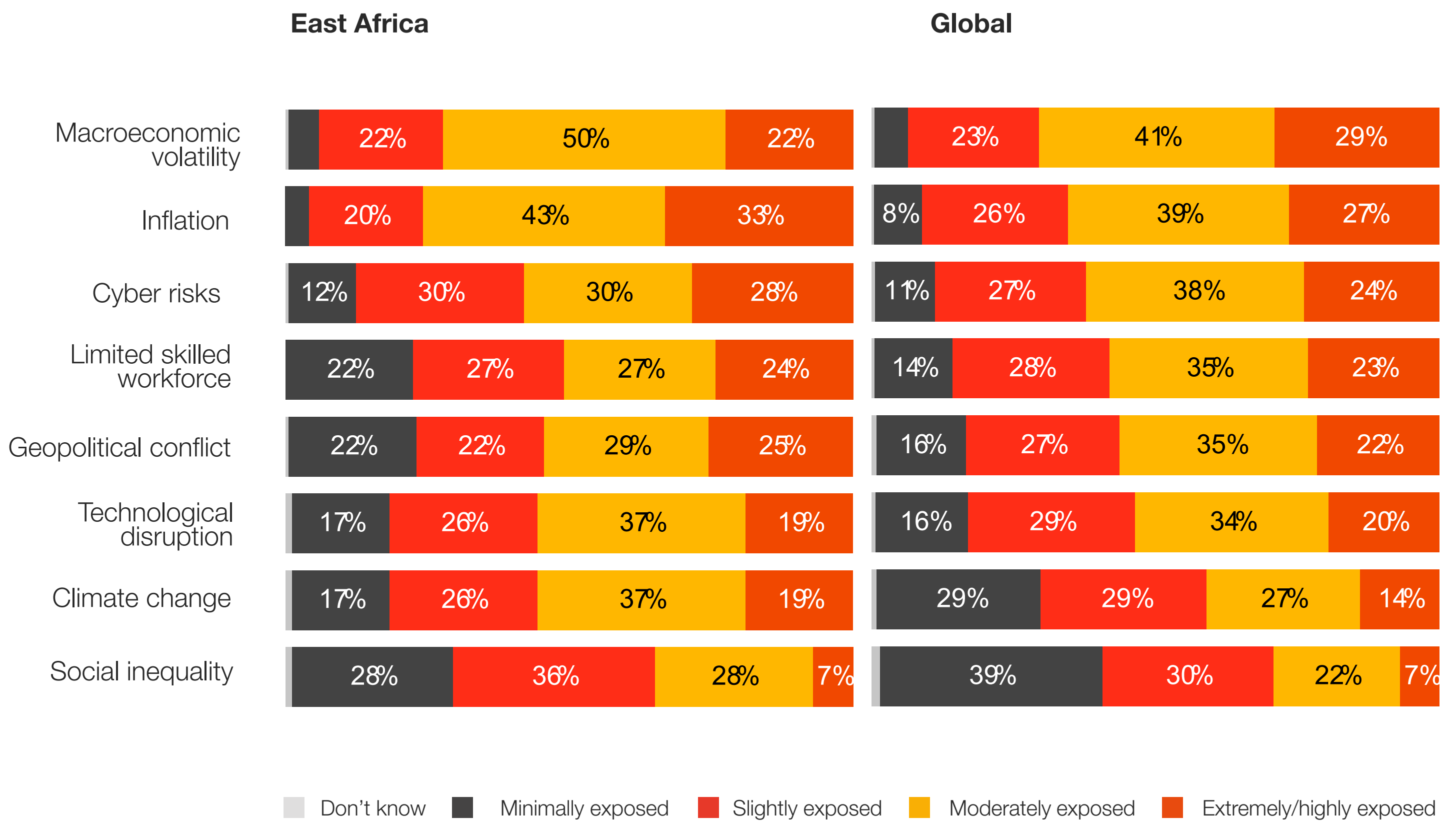
In contrast, the current months might be seen as more uncertain due to short-term challenges such as political instability, fluctuating commodity prices, and immediate economic disruptions. Hence, only 44% of CEOs were confident about their company's prospect for revenue growth in the next 12 months.



Major threats to business performance

East Africa CEOs still believe that macroeconomic volatility, inflation and cyber risks remain key threats.

Question: How exposed do you believe your company will be to the following key threats in the next 12 months?



Source: PwC's 28th Annual Global CEO Survey

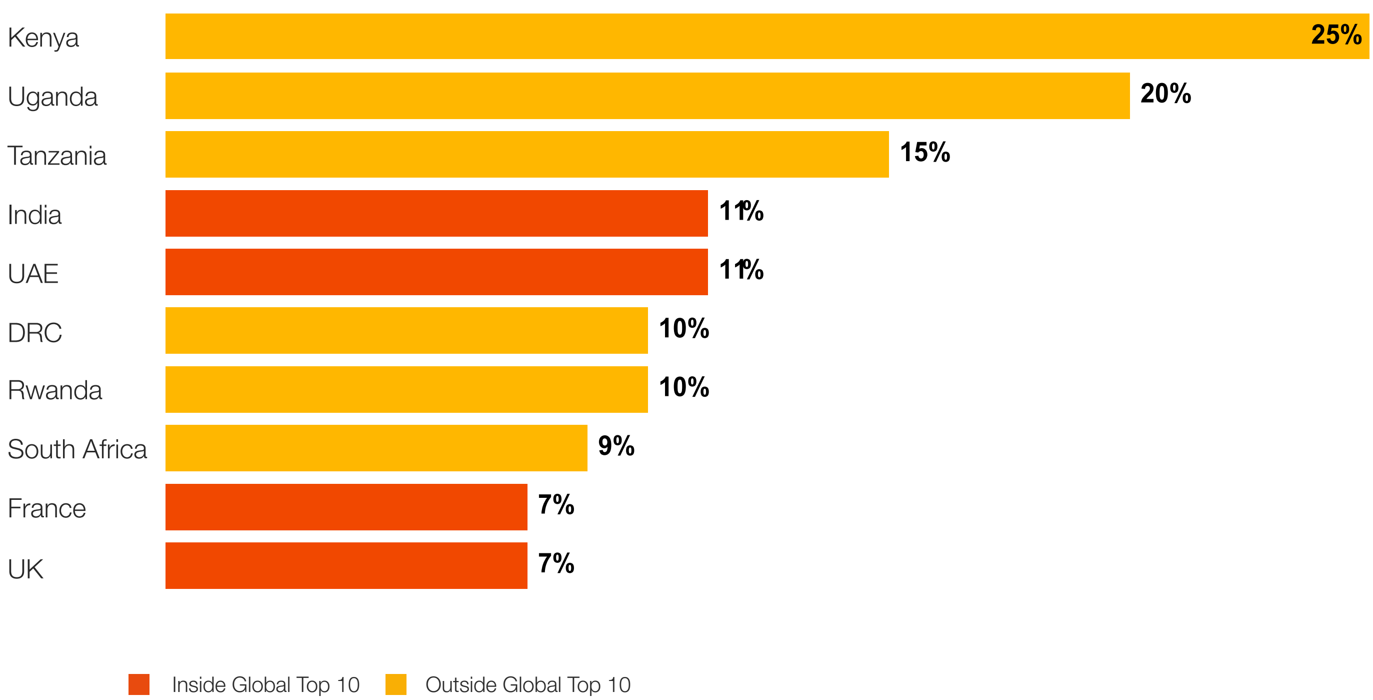
With economic growth picking up in Africa despite growing threats, it's not surprising that CEOs in East Africa have a somewhat more positive outlook on the future. Although their immediate apprehensions centre around macroeconomic volatility, inflation, and cyber risk at the moment, their real concerns are more focused on the long-term threats.

Zainab Salome Msimbe
Country Senior Partner, Tanzania

Read perspectives from Tanzanian CEOs here.

East Africa CEOs seem to be focused on regional growth, choosing to expand their businesses regionally by focusing on countries within East Africa. Kenya, Uganda and Tanzania top the list of countries in which these CEOs are planning to use their capital expenditure that is dedicated to international operations in the next 12 months. This is a good sign, as it not only demonstrates a robust sense of confidence in the region but also promotes collaboration within the region for enhanced economic performance.

Question: Which three countries/territories, excluding the one in which you are based will receive the greatest proportion of your company's planned capital expenditure in the next 12 months?



Source: PwC's 28th Annual Global CEO Survey

The Ugandan economy has shown remarkable resilience marked by a stable Uganda Shiling amid volatility in the region; a benign inflationary environment; and rapid growth of private sector credit - all of which contribute to attracting foreign direct investments (FDI).

Uganda's FDI grew by nearly 80% from US$1.65 bn in 2021 to US$2.95 bn in 2022, driven by achievement of the Final Investment Decision for Uganda's oil and gas projects in February 2022. With total spend attached to these projects estimated at US$10 bn, the trend in FDI growth is set to continue over the next few years.

On top of oil & gas resources, Government of Uganda has started a programme of attracting investment into the country's wider mineral wealth as part of an ambitious economic expansion plan anchored in development of agriculture, tourism, mining and science, technology and innovation. Achievement of these plans will require sustained growth in FDI and it's positive to see that CEOs have embraced this agenda in their spending plans.

Uthman Mayanja
Country Senior Partner, Uganda

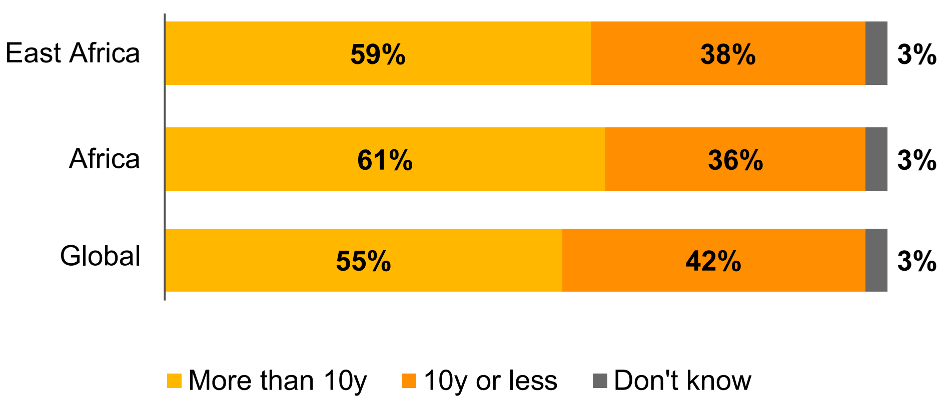
2. Reinvention as a strategic imperative

There is strong confidence that these companies will stand the test of time, with more than half of the CEOs indicating that their companies are poised to remain viable for more than 10 years if they continue on their current path. Having indicated that their businesses performance has been better than their industry average in the most recently completed fiscal year, it is no surprise that these CEOs are confident in their business models.

In addition, businesses in the East Africa region are increasingly focusing on innovation and adapting to changing market conditions. This includes adopting new technologies and business models that can drive growth and success in the long term.

> Over half of CEOs indicate their companies are set to stay viable for more than 10 years.

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



Source: PwC's 28th Annual Global CEO Survey

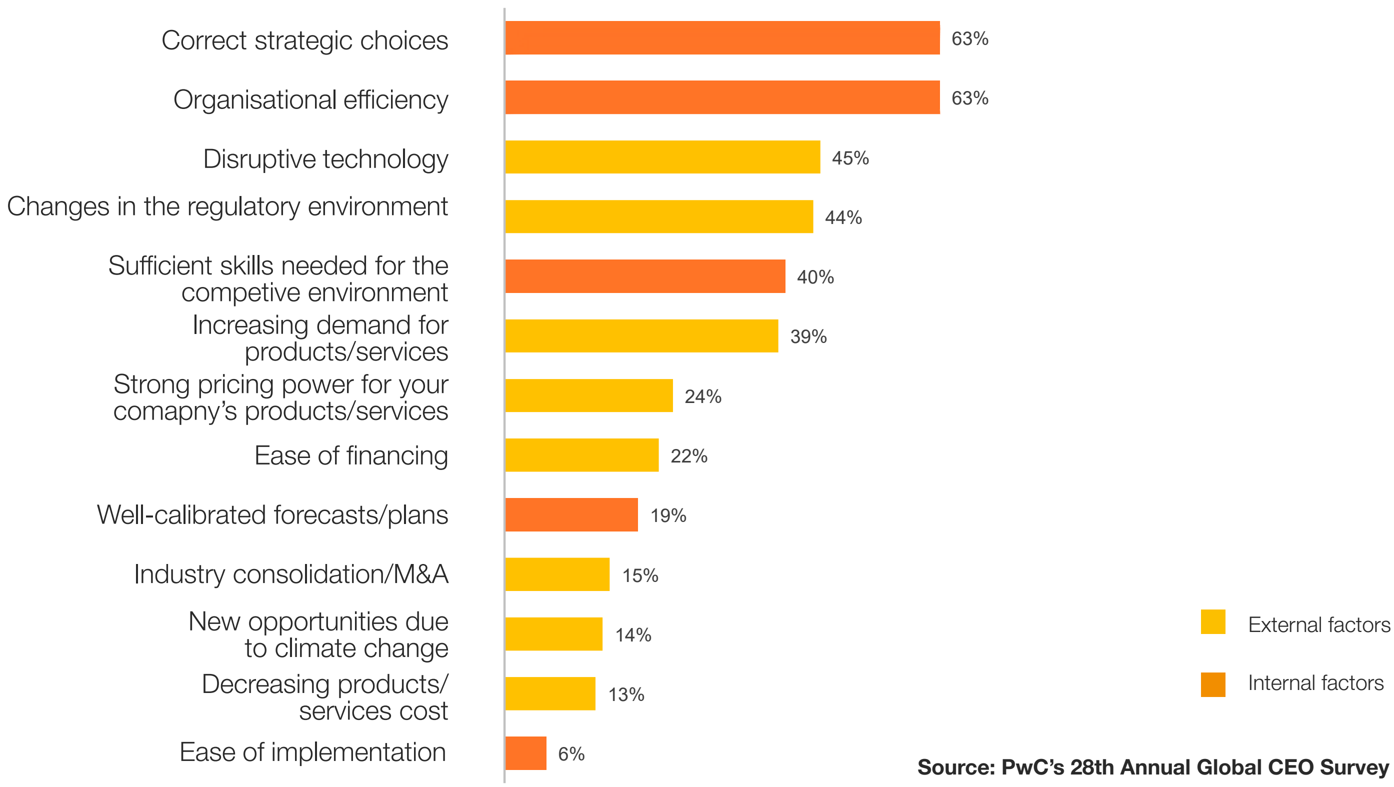
The implications of internal dynamics

Those CEOs who have indicated that their businesses are more likely not to survive in the longer term in their current business models have highlighted both internal and external factors impacting strongly their viability.

Key internal factors that are raising significant concerns to them are 'correct strategic choices' (63%) and 'organisational efficiencies' (63%).

'Sufficient skills needed for the competitive environment' follow closely (40%), meaning that these CEOs see the value of having the right people with the right skills in their business viability equation, and may explain why they are looking at increasing their headcount in the next 12 months.

Question: What factors do you believe will most influence your company's economic viability? (High viability)

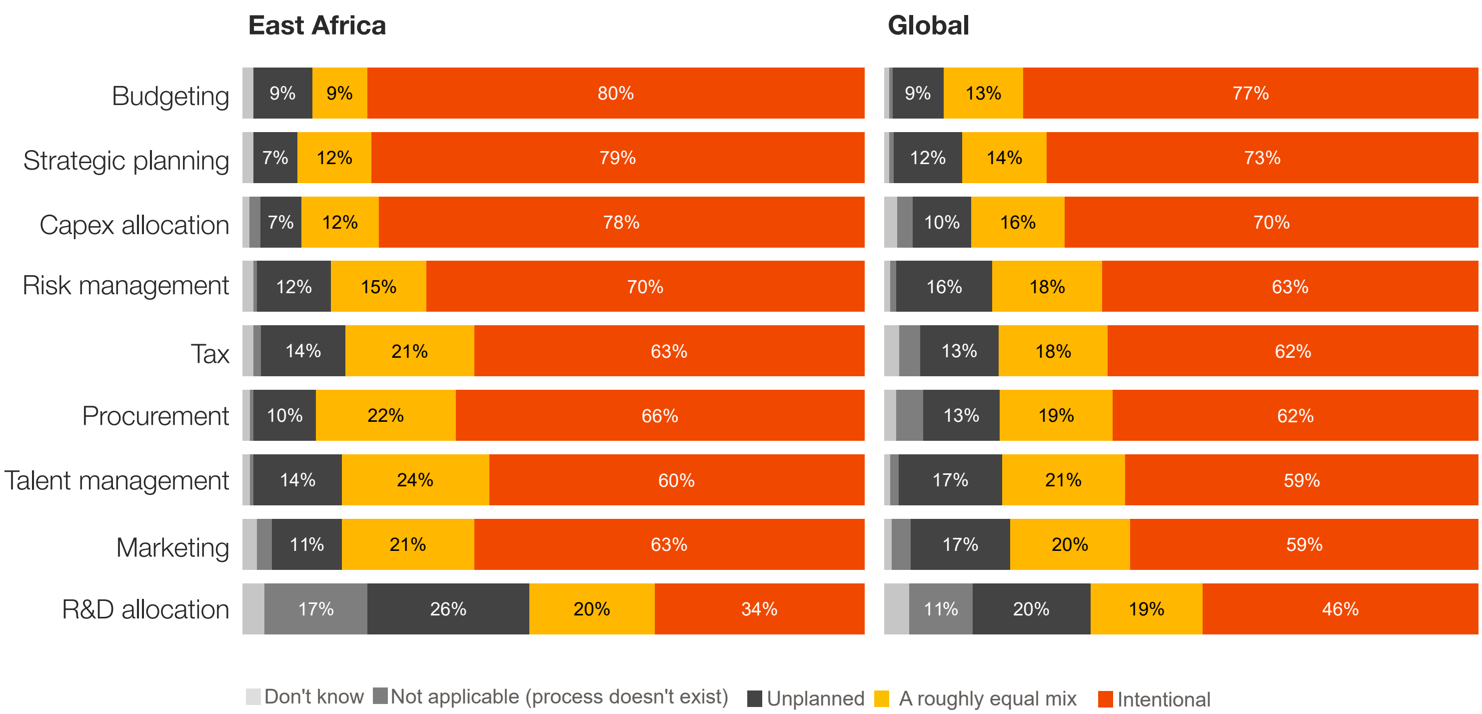


Source: PwC's 28th Annual Global CEO Survey

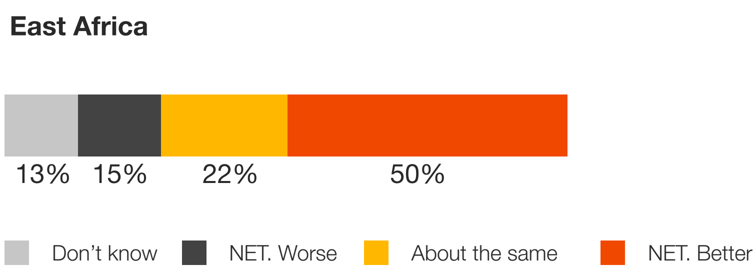
45% of East African CEOs have identified 'disruptive technology' as a crucial **external factor** positively influencing the long-term economic viability of their businesses. The East African region, particularly Kenya, has significantly benefited from the adoption of such technologies, leading the way in integrating them into their economy. CEOs have highlighted that disruptive technology is the primary driver behind their businesses' high viability prospects. Additionally, 44% of CEOs also pointed to "changes in the regulatory environment" as a key external factor impacting business viability.

Companies in East Africa demonstrate a strong intentionality in their organisational design, with key processes being deliberately structured rather than evolving organically. In fact, the survey findings demonstrate that these CEOs' commitment to intentional process design is translating into tangible market advantages and growth opportunities. As a result of their initiatives, 50% of East Africa CEOs indicated that their companies performed better in terms of profitability than their industry's average.

Question: When you became CEO, to what extent were the following key processes in your company evolved in an unplanned way or designed intentionally?



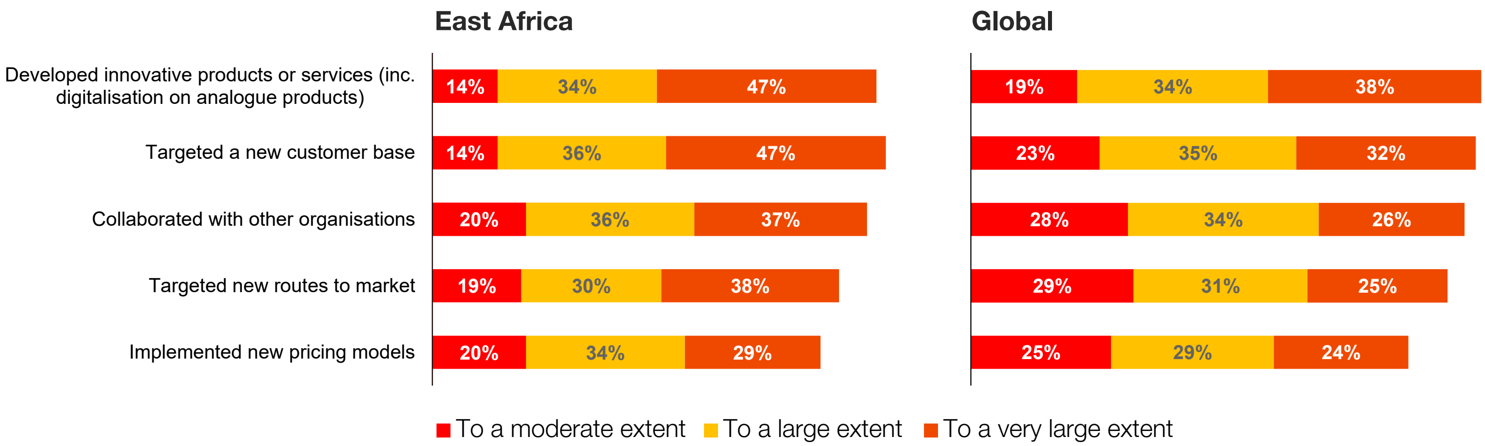
Question: During the most recently completed fiscal year, how did your company's profitability compare to your industry average?



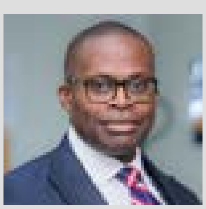
Source: PwC's 28th Annual Global CEO Survey

The survey reveals that many of these companies have taken intentional actions to reinvent themselves in the last five years to evolve some key processes in their businesses. Almost half of these CEOs helped their companies develop innovative products (47%) and target a new customer base in the last five years, 38% of them have made sure that their companies target new routes to market, while 37% have collaborated with other organisations.

Question: To what extent has your company taken the following actions in the last five years?



Source: PwC's 28th Annual Global CEO Survey



In an era characterised by rapid change and technological advancement, East African CEOs are exhibiting remarkable resilience and strategic foresight. With over half of these leaders expressing confidence in the long-term economic viability of their companies, it is evident that strategic decision-making, organisational efficiencies, and a steadfast commitment to innovation are the cornerstones of their success. By embracing disruptive technologies and adapting to evolving market conditions, these businesses are not merely surviving but are thriving.

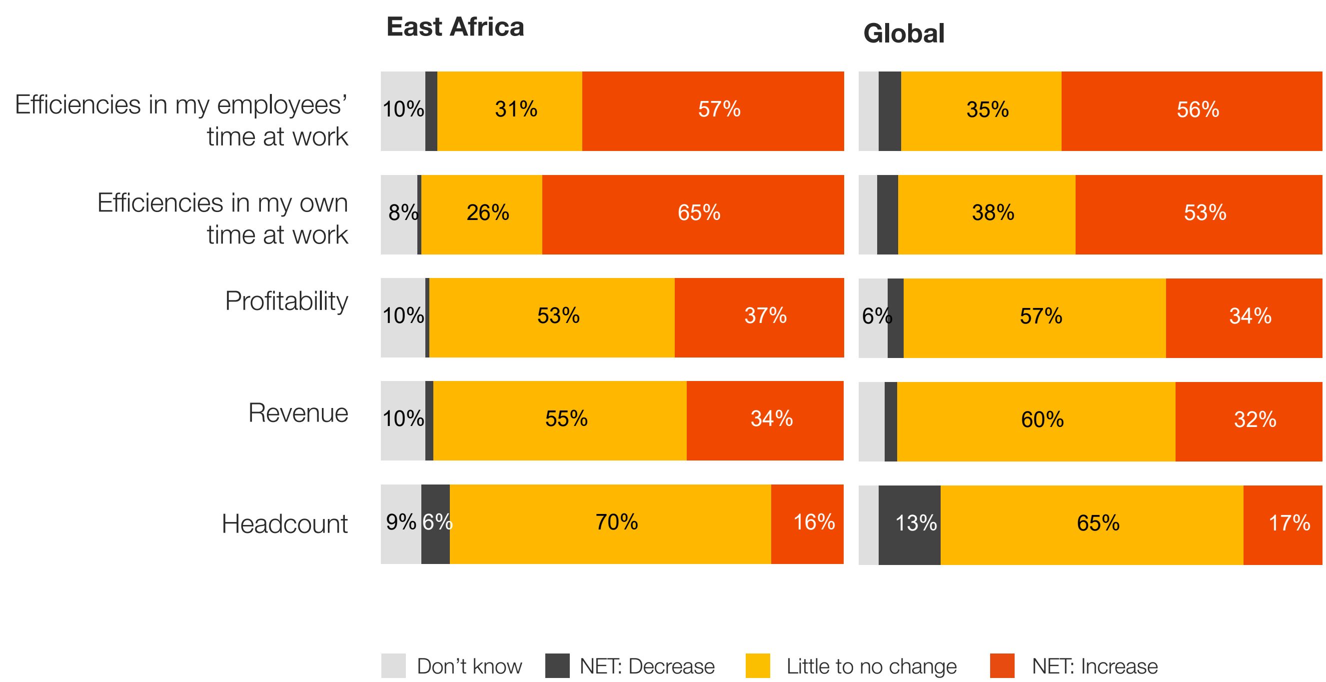
Andrew Chibuye
Country Senior Partner, Zambia

3. AI as a catalyst for growth

GenAI is starting to make its mark in East Africa with several exciting developments.

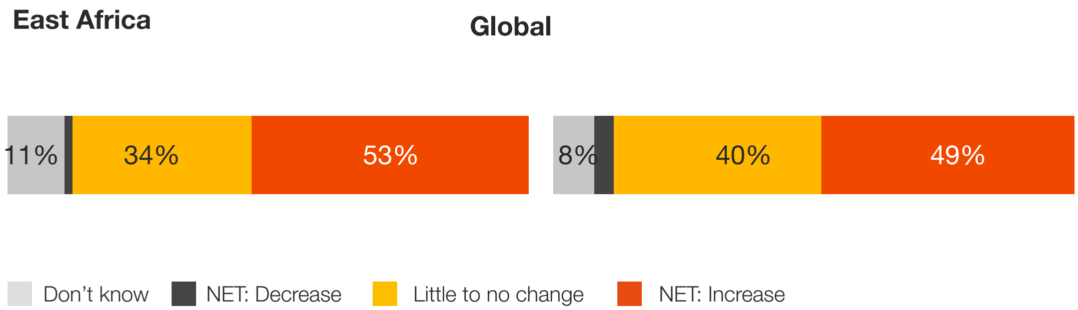
Against popular belief that GenAI will affect human employment, 70% of CEOs in East Africa believed they had seen little to no change in their businesses headcount in the last 12 months as a result of adopting GenAI. They have seen increased efficiency in both their time at work and their employees' time at work. In addition, more than half of them (53%) believed that GenAI would increase their company's profitability in the next 12 months, showing a consistent trust in AI, along the same findings as last year's survey.

Question: To what extent did generative AI increase or decrease the following in your company in the last 12 months?



Source: PwC's 28th Annual Global CEO Survey

Question: To what extent will generative AI increase or decrease the profitability of your company in the next 12 months?



Source: PwC's 28th Annual Global CEO Survey

East Africa CEOs are showing more trust for AI in their businesses than their global counterparts. A total of 42% of them indicated that they personally trust having AI embedded into key processes in their companies. East Africa is known for fast-paced digitalisation across the region, with Kenya leading in terms of digital maturity according to the Global System for Mobile Communications (GSMA). Therefore, it is no surprise that the region's CEOs put more trust into AI.

They predict that AI will mostly be systematically integrated into key areas in their companies in the next three years. This goes well with the East Africa's government imperative to digitize their economy more. More than half of these CEOs (53%) predict AI being integrated into their technological platforms, while 47% predict the systematic integration to be on business processes and workflows.

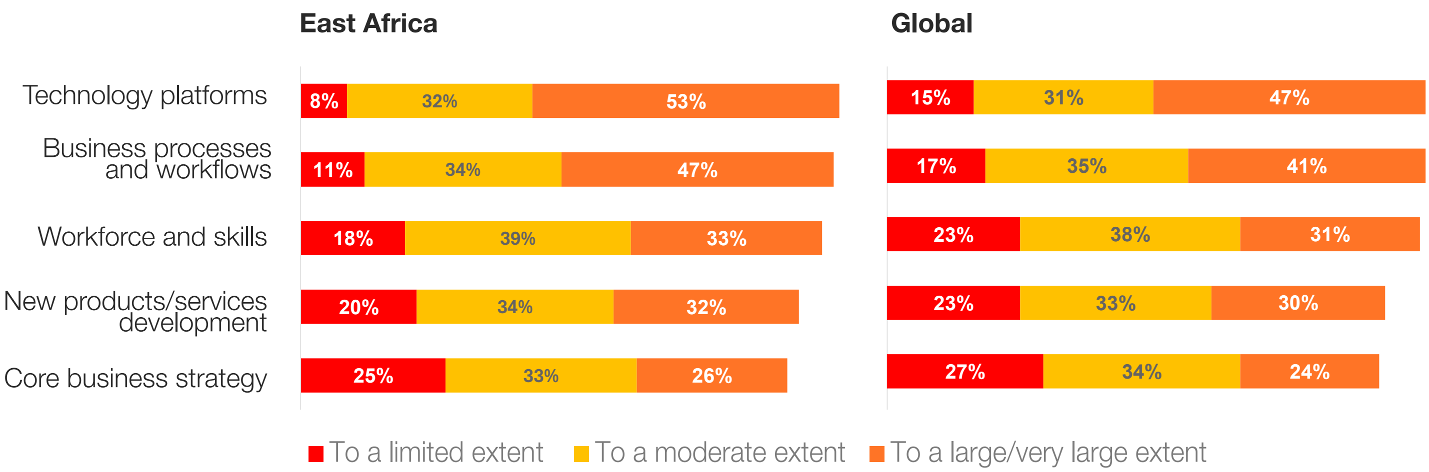
CEOs in East Africa see AI as a game-changing advancement to drive efficiency and enhance workforce productivity. As organisations embrace systematic AI integration, they unlock opportunities for growth, innovation and reinvention to be agile, intelligent and resilient for the world of tomorrow. "Those who adapt to AI will thrive in tomorrow's world, while those who hesitate will be left behind."

Vikas Sharma

Regional Leader, Consulting & Risk Services, East Africa

About half of CEOs foresee AI becoming integral to technology platforms.

Question: To what extent, if at all, do you predict AI (including generative AI) will be systematically integrated into the following areas in your company in the next three years?

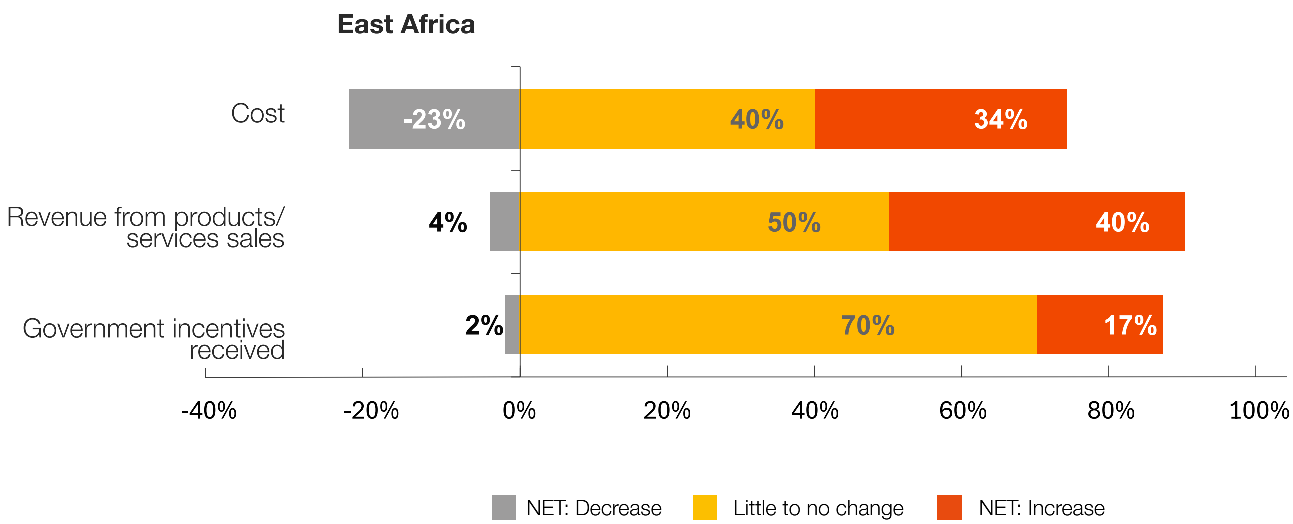


Source: PwC's 28th Annual Global CEO Survey

4. Consistent efforts in climate-friendly investment

Although the impacts of climate change are becoming increasingly evident in the region, a majority of East Africa CEOs (70%) said that climate-friendly investments have had little impact on their companies in the last five years. Even more (50%) report seeing little to no change in their revenue from products / services sales. Even so, there seems to be consistent energy in initiating climate friendly investments, as over half of the CEOs have indicated that there is sufficient buy-in from their management and/or board members.

Question: To what extent have climate-friendly investments initiated by your company in the last five years caused increases or decreases in the following?



Source: PwC's 28th Annual Global CEO Survey

However, 'regulatory complexity' (26%), the lack of 'available finance' (26%) and of 'demand from external stakeholders' (23%) remained among the main factors inhibiting their companies' ability to initiate climate-friendly investments in the last 12 months. As a result, they may not be adequately preparing for the climate risks that are expected to materialise in the next five to 10 years.

The recent World Economic Forum's Global Risk Report series provides valuable insights into the future outlook of climate risks. The World Economic Forum's survey reveals that in the 10-year view, the top five risks are all climate-related. This emphasizes the need for businesses to recognise that although the immediate manifestation of climate-related risks may not be material, they will become rapidly more significant in the next five to 10 years. Countries like Ethiopia and Kenya are making significant strides in renewable energy.

5. Methodology

PwC surveyed 4,701 CEOs in 109 countries and territories from 1 October through 8 November 2024. The East Africa cut consists of 169 unweighted responses which this report is based on. All quantitative interviews were conducted on a confidential basis.

Among the CEOs who participated in the survey:

- 3% lead organisations with revenues of US$25 billion or more
- 3% lead organisations with revenues between US$10 billion and US$25 billion
- 20% lead organisations with revenues between US$1 billion and US$10 billion
- 33% lead organisations with revenues between US$100 million and US$1 billion
- 36% lead organisations with revenues of up to US$100 million
- 62% lead organisations that are privately owned.

East Africa participating countries:

Kenya, Tanzania, Mauritius, Zambia, Rwanda, Uganda

Note:

Percentages in charts may not 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,' 'Not applicable' and 'Don't know.'

6. Acknowledgement

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