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CEOs optimistic about growth

MORE than 80 per cent of chief executive officers (CEOs) worldwide are optimistic about their companies' growth for the next three years, showing a huge resilience and confidence in underlying economic factors. This is revealed in the Second Annual Global CEO Survey conducted by PricewaterhouseCoopers. The survey was released recently at the 1999 Annual Meeting of the World Economic Forum in Davos, Switzerland.

It also says 70 per cent of the CEOs are optimistic about the future in Asia, where the financial crises are showing signs of easing.

"This is a significant finding given that the survey was conducted during a period of considerable economic uneasiness marked by a downturn in major financial markets," said the World Economic Forum president Klaus Schwab.

The Forum is attended by financial and business leaders, as well as 40 heads of state and 250 government ministers.

Asia is represented by Malaysia's Prime Minister Datuk Seri Dr Mahathir Mohamad, Singapore's Senior Minister Lee Kuan Yew and Japan's vice-minister of Finance for International Affairs Eisuke Sakakibara.

"Inside the Mind of the CEO: The 1999 Global Survey" consisted of interviews with 802 CEOs from North America, Europe, Asia and Latin America. The interviews were conducted between July and September last year.

The survey also shows that CEOs consider their own geographic region as the source of opportunity for their companies' growth over the next three years.

"This indicates that the world economy we're in now may be not so much global as globalising. The power and dependability of the home market remain critical components of growth expectations," said PricewaterhouseCoopers CEO James J. Schiro.

Among others, the survey concludes that the CEOs are bullish on the potential of electronic business (e-business) for their companies. They predict formidable new competition in their industries and significant new revenue growth through e-business over the next five years.

They also report that within such period, the technology leads currently by North American companies is likely to evaporate.

"A new way of doing business, driven by new technologies including the Internet resulting in new value propositions in many industries. It is not only changing the way companies do business but also the way we as consumers view the world," Schiro said.

Half of the respondents said that non-traditional competitors would pose a significant competitive threat using e-business as a main channel to their customers.

From a regional perspective, the threat was seen as most real in Asia (59 per cent) and less imminent in Latin America (29 per cent), says the report.

Other notable survey findings include the increase of web-surfers among CEOs, the importance of knowledge management for companies' success, issues associated with Y2K problems, and reshaping corporate culture and employee behaviour.

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