Africa Business Agenda 2021
8th edition

A leadership agenda to take on tomorrow

Highlighting the Africa findings of PwC's 24th Annual Global CEO Survey

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Introduction

About the Africa Business Agenda

The *Africa Business Agenda* draws on the results of PwC's 24th *Annual Global CEO Survey* of 1,779 interviews in 100 countries, including 50 CEOs from 14 African countries. The use of a common set of survey questions allows us to benchmark the views of CEOs in Africa against global findings, enabling us to identify and explore some of the distinctive features of doing business in Africa.

On 11 March 2020, the World Health Organization declared COVID-19 a global pandemic, marking the official start of a period of profound disruption and suffering.[1]

More than a year later, we still find ourselves in its grip, but the introduction of vaccines have enabled us to envision recovery. How that recovery will look is not yet clear. While vaccination campaigns have made substantial progress in some countries, on 30 May, only 31.3m people in Africa, less than 2% of the population, **had received at least one vaccine dose.**[2] We still have a long way to go, but it is certain that we cannot simply go back to the way things were before. The pandemic has exposed fundamental deficiencies in our global system, weaknesses in business operating models and profound challenges that are shaping our world.

In this regard, the global economic downturn resulting from the pandemic is having a **disproportionate economic impact**[3] on low-income and emerging economies, including those in Africa. The International Monetary Fund (IMF) reports that sub-Saharan Africa experienced its first economic recession in 25 years in 2020, with the economy declining by 2.0%.

Growth in the region is forecast to rise between 2.3% and 3.4% in 2021 (compared with expected global GDP growth of 6%).[4] **Foreign direct investment (FDI)** flows, a critical source of financing for emerging and developing economies, fell by 42% in 2020, and expectations are that FDI will remain weak due to pandemic-related uncertainty.[5]

Despite the challenges, many business leaders have found the, pandemic has also unleashed extraordinary energy creativity and resourcefulness within their organisations.

The pandemic's dual role as accelerator of transformation and amplifier of disruptive forces is the thread that runs through our 24th Annual Global CEO Survey. Most of the CEOs in Africa responding to the survey are bullish about a global economic rebound. It will be enabled by a continuation of companies' pandemic-induced digital acceleration, which promises productivity and other business benefits, but also increases the threat of cyberattacks and the spread of misinformation.

Although CEOs' confidence in their own company's revenue prospects has rebounded, they are anxious, too: about policy uncertainty, tax policy uncertainty, cyber threats and over-regulation.

When we look at the survey in this light, we see an opportunity emerge – a moment for business leaders to take a step back and ask: How can we do things better?

Answering this question is an imperative that will touch nearly every aspect of their operating model, enabled by a significantly greater focus on trust and transparency. This is certainly the case for climate change, where corporate action still trails global decarbonisation targets and companies are also facing growing demands from investors and other stakeholders.

Moving forward

A recent report by the **World Bank** suggests that the slower spread of the virus and lower COVID-19-related mortality, coupled with strong agricultural growth and a faster-than expected recovery in commodity prices, have shielded many African economies from the worst impacts of the pandemic.[6] However, full economic recovery will depend on countries deepening reforms to create jobs, encourage investment and enhance competitiveness.

For CEOs running businesses in Africa, having the conviction that they can overcome the challenges they face and believing that things will get better, has sustained them through past and present difficulties, and will no doubt give them strength in the future. Caution and optimism have gotten them this far, and despite the uncertainties, we believe now is the time for business leaders in Africa to drive growth from new possibilities, to take action, transform and move forward by adopting a leadership agenda to take on tomorrow.

Improved outlook

When asked about their outlook on the global economy, 68% of CEOs in Africa say they believe it will improve during the next 12 months. That's 27 percentage points greater than the previous record high for optimism over all the years we have been asking this question. It also marks a significant rebound from our 2020 survey (conducted in the last quarter of 2019 and before any of us had heard of COVID-19), when just 20% of CEOs in Africa expected improved growth.

Little could anyone have known that the coronavirus would strike, causing **global GDP to contract** 3.3% in 2020 (by 1.9% in sub-Saharan Africa) – marking its worst performance since the Great Depression.[7]

In the wake of such decline, some bounce-back seems inevitable. In China and elsewhere, it's already underway. In Africa, the pandemic was slow to arrive and currently shows little sign of leaving.[8] At the time of writing, there had been **3.45m COVID-19 cases** and more than 100,000 deaths confirmed in Africa, more than half of them in South Africa.[9]

68%

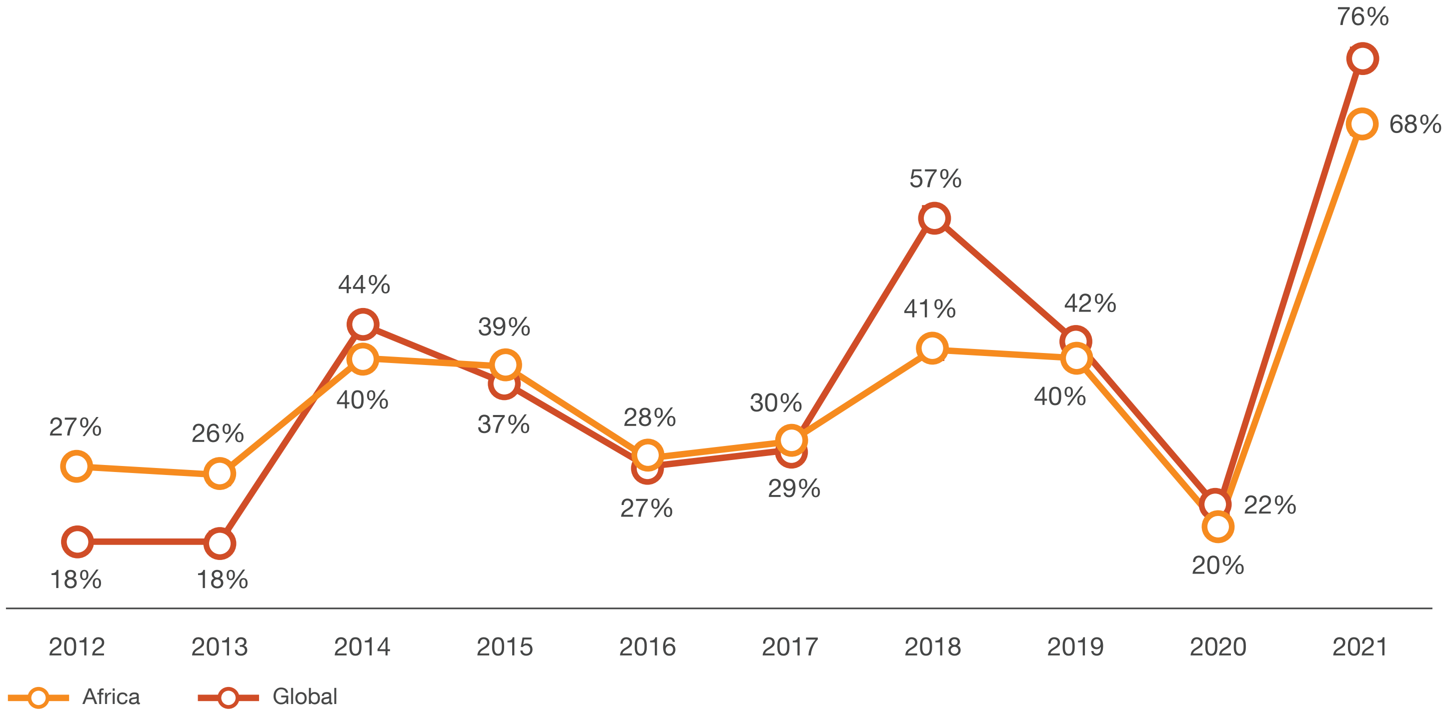
Share of CEOs in Africa who believe global economic growth will improve in 2021 (Global: 76%).

Exhibit 1

A record share of CEOs in Africa, compared to prior years, believe global economic growth will improve in 2021

Question:

Do you believe global economic growth will improve, stay the same or decline over the next 12 months?
(Showing 'Improve')



Note: From 2012 to 2014, respondents were asked, 'Do you believe the global economy will improve, stay the same or decline over the next 12 months?'

Source: PwC 24th Annual Global CEO Survey, PwC analysis

Short-term caution

CEOs' optimism about a rebound in the global economy does not translate into their expectations about the short-term prospects of their own businesses. So, while CEOs in many countries contemplate vaccine roll-outs and look forward to the resumption of some form of business as usual, those in Africa are a lot more guarded. This is reflected in our survey findings: 30% of CEOs in Africa are very confident about their company's growth prospects in the next 12 months, compared to 36% of global CEOs.

The reasons for this confidence gap vary from African countries still being at an earlier stage of the pandemic life cycle to uncertainty about governments' COVID-19 response and policy direction in its aftermath.

Looking further ahead, there is a significant improvement in optimism with 42% of CEOs in Africa saying they are very confident about their revenue growth prospects over three years. This result marks a reversion to the trend up to 2019, and is a notable turnaround from our 2020 survey results (see Exhibit 2).

There is reason to bank on this positive sentiment. PwC has analysed CEO confidence levels dating back to 2008 to determine both the direction and the strength of global GDP, and the results have consistently yielded accurate projections. Based on this year's responses, we estimate that global growth could rise as much as 5.0% – slightly lower than recent IMF projections that the global economy will grow 6% in 2021 and in line with separate **PwC analysis** suggesting it will return to its pre-pandemic size by the fourth quarter of 2021 or early 2022.[10]

Sustaining COVID-era urgency

As business leaders adapt to the current circumstances and prepare for the anticipated rebound, a critical question will be: which management approaches should businesses retain from the rapid response mode most of them embraced during 2020?

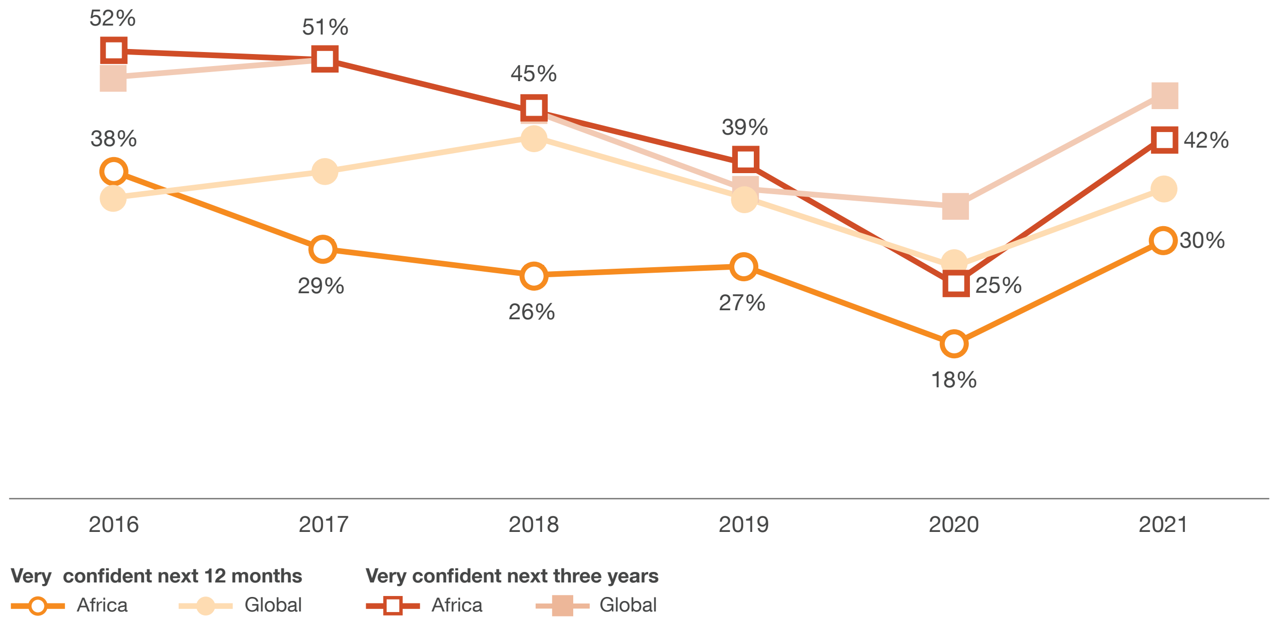
Fast, high-quality decision-making – a hallmark of many companies' pandemic responses – will be on the top of most leaders' 'keep' lists.[11] Priorities include ensuring top management is focused on the big issues that matter most, engaging with people up and down the organisation, revisiting critical decisions frequently, and pushing to understand unintended consequences.

Exhibit 2

CEO confidence is muted in the short term, more positive over three years

Question

How confident are you about your organisation's prospects for revenue growth over the next 12 months/ three years? **(Showing only 'very confident' responses)**



Source: PwC 24th Annual Global CEO Survey, PwC analysis

Industry effects

Just as different countries have been affected in contrasting ways by the pandemic, so too have industries, as lockdowns and other restrictions changed the way we work, live, travel and shop. This disparity is reflected in confidence levels, both in our survey results and in our discussions with CEOs globally.

The hospitality and leisure and transportation and logistics sectors are among those with the lowest reported confidence levels. Globally, CEOs in these sectors have told us they expect it will take up to three years to get back to 2019 levels.

In contrast, leaders of technology companies are more confident than their peers in every other industry, a natural by-product of the pandemic's digital acceleration.

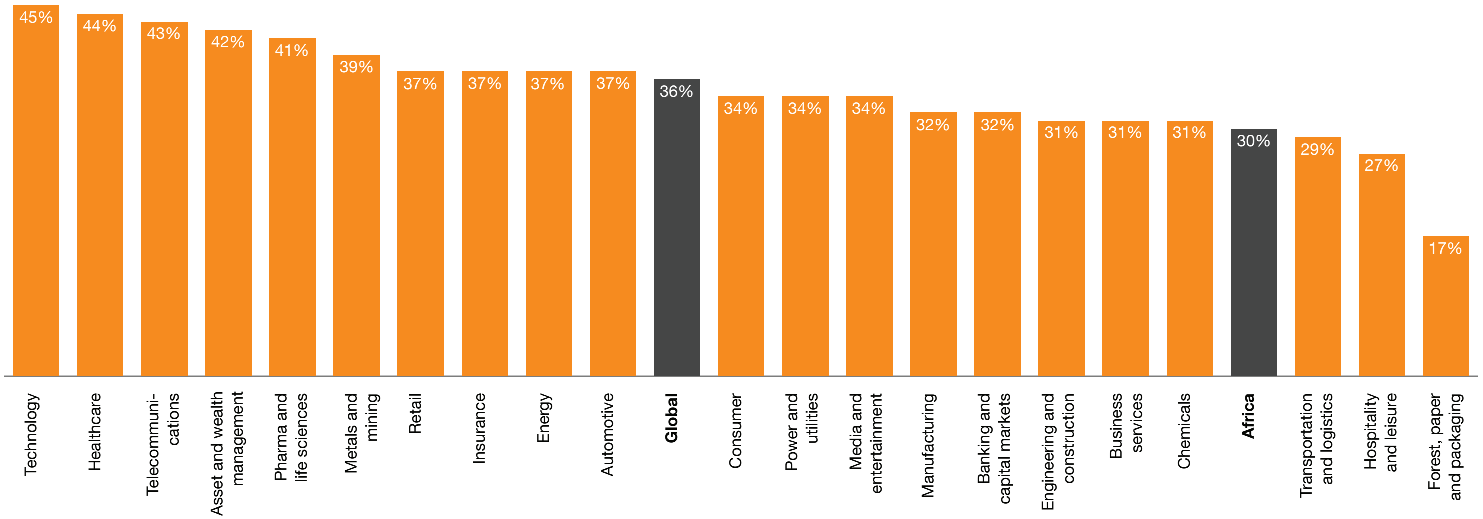
CEOs of companies in industries that witnessed favourable changes in consumption patterns during the pandemic also have a positive outlook. Examples of these include telecommunications, online retail, food delivery and entertainment streaming services.

Exhibit 3

Industry outlook: Global CEOs in the tech, healthcare and telco sectors are most confident about short-term growth

Question

How confident are you about your organisation' prospects for revenue growth over the next 12 months/three years? **(Showing only 'very confident' responses)**



Source: PwC 24th Annual Global CEO Survey,

The pandemic experience, sector by sector

Taking a closer look at the effects on companies in different industries, we see how many are reinventing their workplaces as the number of infections declines and the vaccine roll-out gains momentum – with flexible work models becoming a permanent fixture for a range of roles, including sales, finance and technology.

But implementing changes will be more challenging in industries such as hospitality, transportation and retail, where business model changes are likely to require significant shifts in deeply ingrained customer behaviours and ways of working by employees.

Lingering anxiety

Despite their confidence, CEOs are acutely aware of threats in the external environment. But unlike their global peers – 52% of whom recognise pandemics and other health crises as the number one threat this year – CEOs in Africa are more concerned about the perennial challenges of policy and tax uncertainty, over-regulation and the fast-evolving reality of cyber threats (see Exhibit 4). In fact, pandemics and other health crises are the only threat African CEOs are less worried about than their global peers.

Cause for concern

Overall, the sheer magnitude of concern about most threats has increased since our 2020 survey, despite CEOs' rise in confidence. Among CEOs in Africa, navigating these perils is a permanent state of being, which conflicts with their inherent optimism. Navigating this tension is a perennial leadership challenge that seems particularly acute at the moment.

As Exhibit 4 demonstrates, the proportion of CEOs in Africa who are extremely concerned about top ten threats is significantly higher than the global average – not just in this survey, but in previous years too.

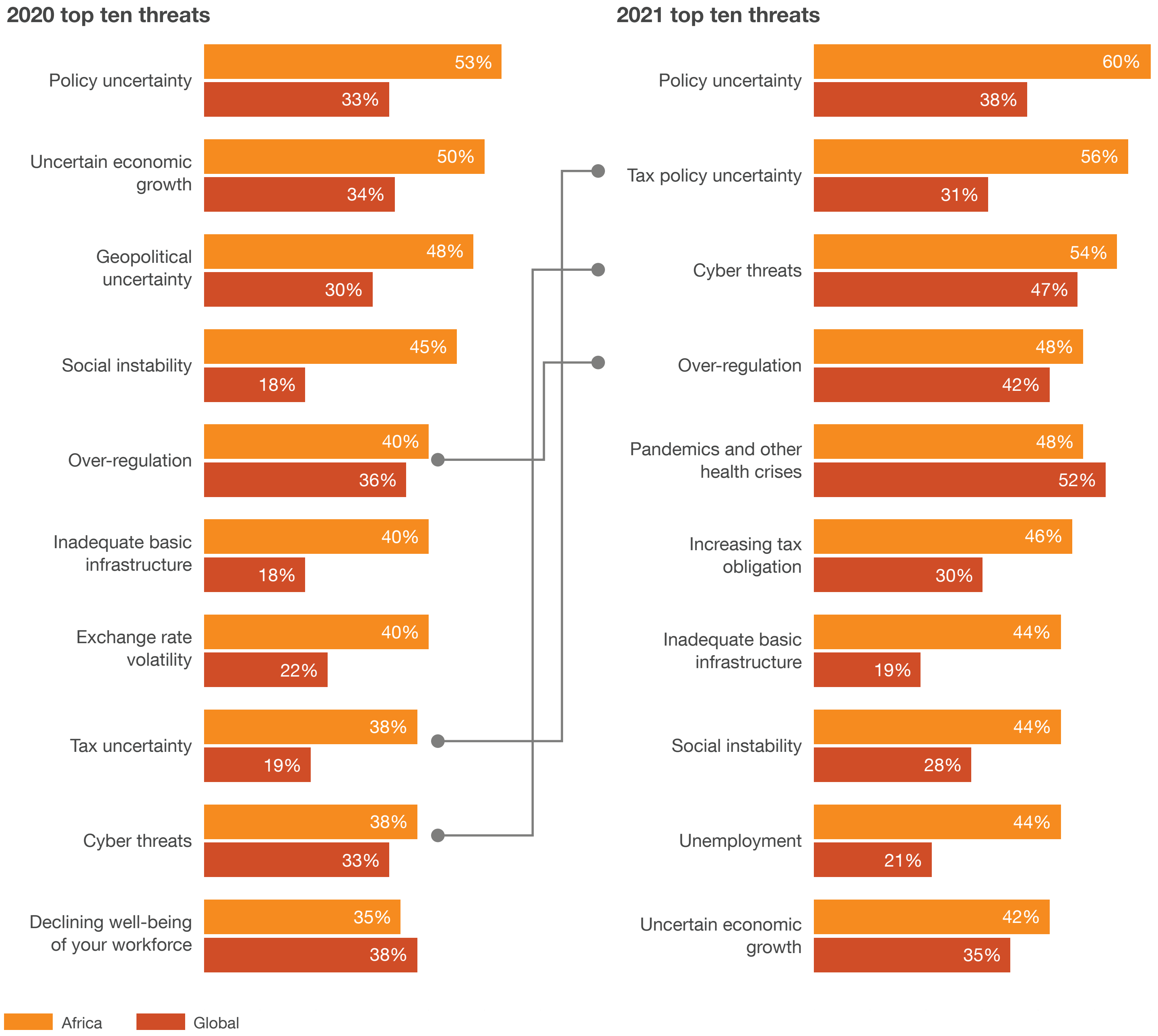
In 2021, the average proportion of African CEOs extremely concerned about the top ten threats is 49% (2020: 43%), compared to 34% globally (2020: 28%). Running a successful business is challenging anywhere, but for many in Africa it seems things have become significantly more difficult.

Exhibit 4

CEOs are most concerned about policy uncertainty, tax policy uncertainty, cyber threats and over-regulation

Question

How concerned are you, if at all, about each of these potential economic, policy, social, environmental and business threats to your organisation's growth prospects? **(Showing only 'extremely concerned' responses)**



Source: PwC 24th Annual Global CEO Survey, PwC analysis

Driving growth

Given CEOs' subdued confidence about their organisations' growth prospects, particularly in the short term, and mounting concern about the challenges and uncertainties their organisations face, it's no surprise that they're taking a cautious approach by focusing on things they have more control over to drive profitability: pursuing organic growth (78%) and seeking operational efficiencies (64%).

Moving up from sixth to third place since our 2020 survey, 50% of CEOs in Africa say they will be pursuing new mergers and acquisitions (M&A) in the next year (2020: 33%).

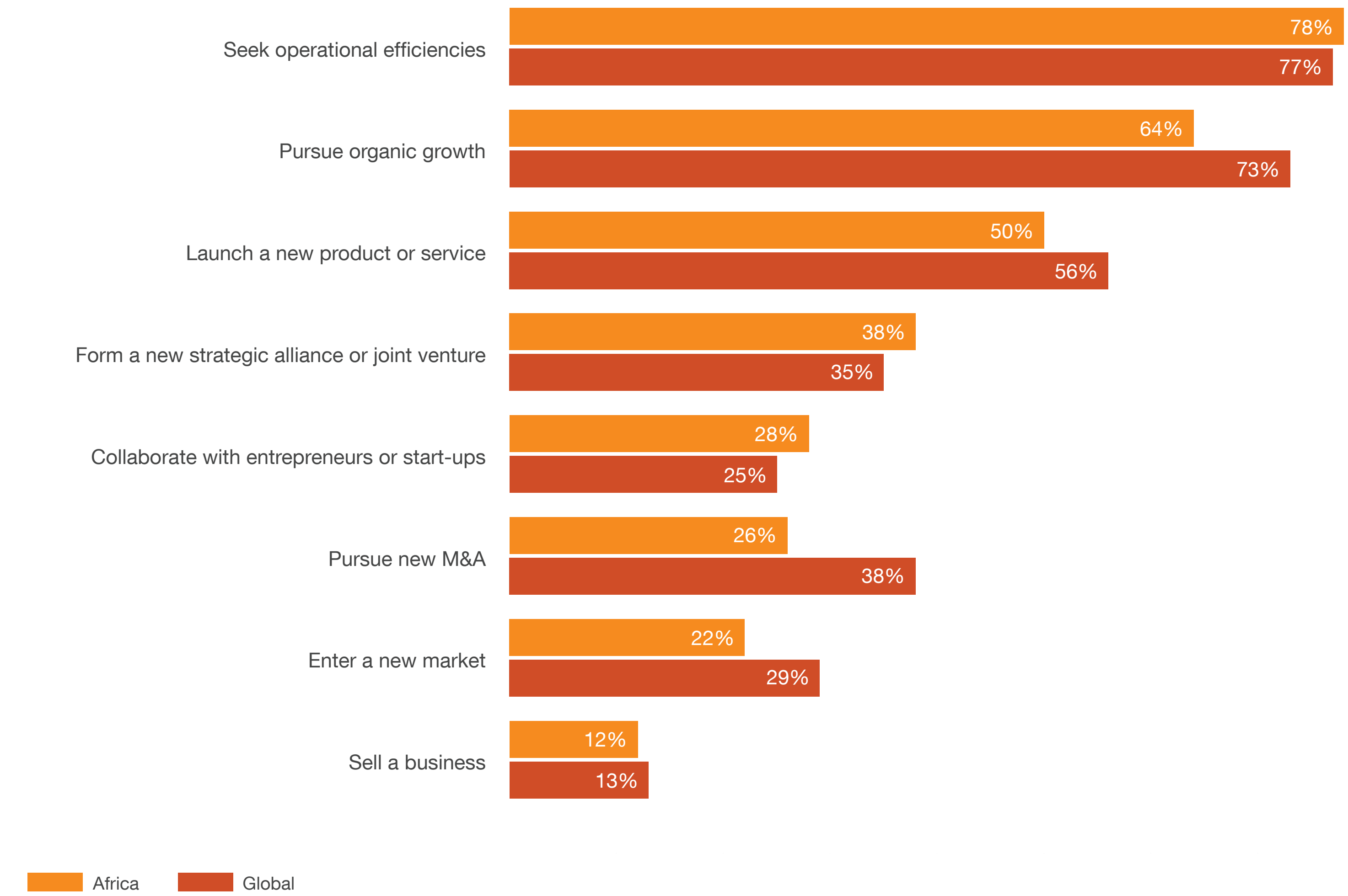
In contrast, only 38% of African CEOs are considering launching a new product or service this year, a significant decline on the 63% recorded in our last survey.

Exhibit 5

CEOs are focusing on operational efficiencies and organic growth

Question

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



Source: PwC 24th Annual Global CEO Survey

Investment priorities

The pandemic has accelerated changes that many businesses were already starting to make in areas such as digital transformation and talent management. It has also amplified the threat of others such as cyberattacks and the spread of misinformation.

The significance of these concerns is reflected in business leaders' investment priorities.

Just over half of CEOs in Africa (52%) plan to significantly increase (≥10%) their long-term investments in digital transformation. This is followed by initiatives to realise cost efficiencies (48%), leadership and talent development (46%), and cybersecurity and data privacy (32%).

Today's digital focus contrasts with the situation after the global financial crisis. In 2010, the biggest investment priority for African CEOs in our survey was gaining cost efficiencies, with 35% saying they were going to increase investment significantly, while digital transformation trailed at 28%.

The emphasis that CEOs are placing on digital solutions speaks to the faith they have in the transformative power of technology.

Making the most of tech investment

A significant rise in the use of digital channels – to work remotely, sell and shop – was one of the highly visible consequences of the COVID-19 pandemic. Riding on the back of this surge, less visibly, has been increased adoption of advanced analytics, automation and artificial intelligence (AI) by businesses, as leaders made decisions amid deep uncertainty, without normal operating data or reliable experience, often in the face of immense emotional and time pressures.[12]

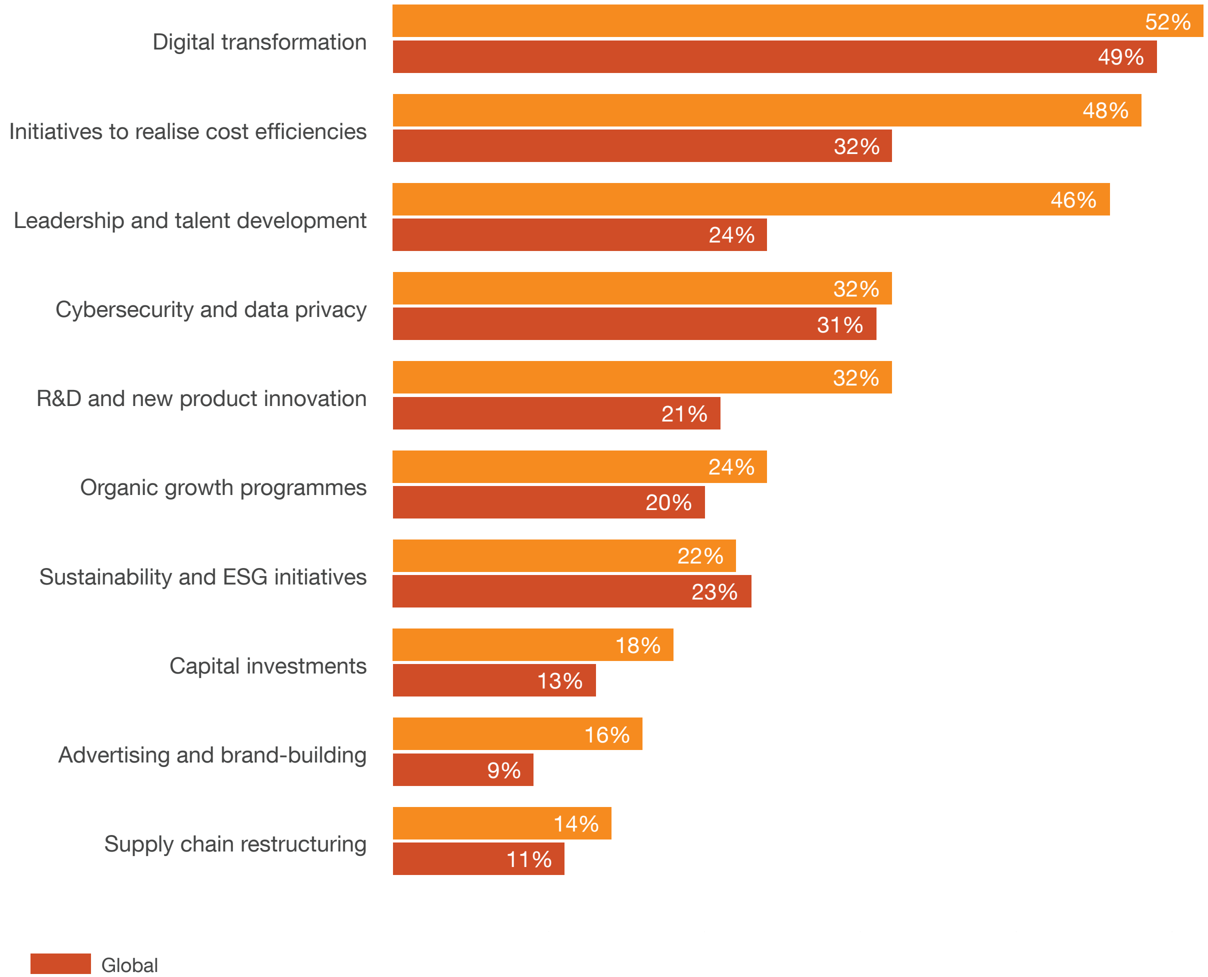
New PwC research shows just how valuable a differentiator AI – with its capacity to amass new data quickly, analyse patterns, then provide insights and predictive guidance – has been. It has helped companies step up the pace of product innovation, shape vital strategies for contactless selling and customer service, and boost supply chain effectiveness during the pandemic. This has resulted in a widening performance gap – an AI divide – between companies that have made full use of AI tools and those that have lagged. Companies on the leading edge are more deeply embedding AI in customer-focused applications, back-office applications and risk management – while addressing algorithmic bias so that stakeholders trust the outputs.[13]

Exhibit 6

CEOs are changing their investment plans to keep pace with the changing environment

Question

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? **(Showing 'Increase significantly' [≥10%])**



Source: PwC 24th Annual Global CEO Survey

International markets

Notwithstanding anxiety caused by the COVID-19 pandemic, Brexit and trade conflict between US and China, CEOs foresee some cooling of global trade tensions. In Africa, trade conflict and protectionism have dropped to the bottom of CEOs' threat list.

In addition to the improved global situation, the Africa Continental Free Trade Area (AfCFTA) Agreement, which came into force on 1 January 2021, may also be playing a role in many CEOs' confidence as it offers a framework for African nations to bolster their economies through increased continental trade.

But first they have to deal with the current realities of moving goods across Africa and getting funds out of the African countries in which they have invested. It's therefore no surprise that three-quarters (74%) of CEOs in Africa are either somewhat concerned or extremely concerned (Global: 62%) about supply chain disruption.

74%

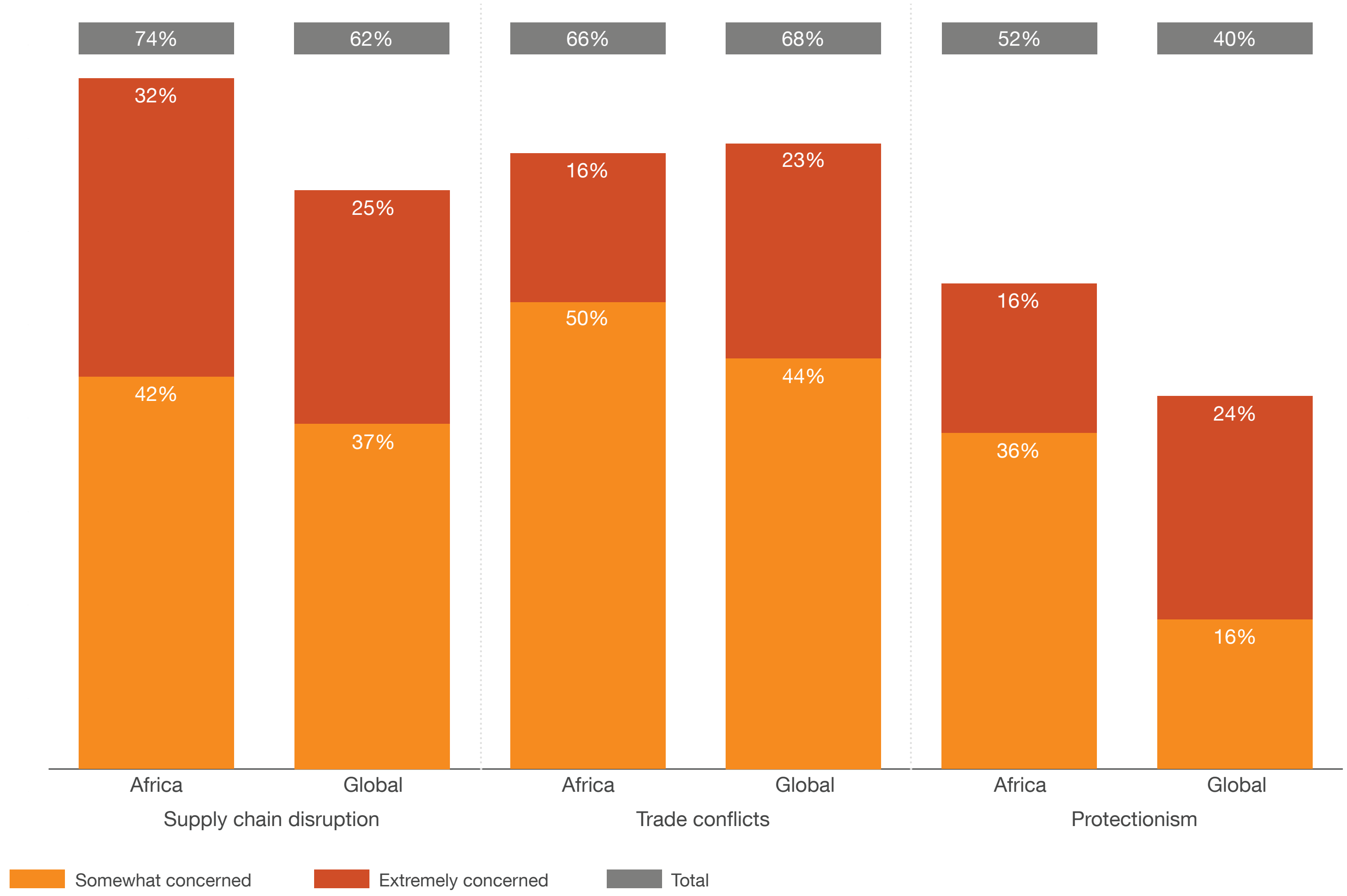
Share of CEOs in Africa who are either somewhat or extremely concerned about supply chain disruption (Global: 62%).

Exhibit 7

CEOs are concerned about supply chain disruption and trade conflicts, less so about protectionism

Question

How concerned are you, if at all, about the following threats?



Source: PwC 24th Annual Global CEO Survey

While the US and China's dominance of the world economy explains their importance to business in Africa, almost a quarter (22%) of African CEOs either don't know or don't believe any other country will be important to their companies' growth prospects in the next year. While it may be tempting to attribute this to the COVID-19 restrictions, this trend is nothing new. In our previous survey of African CEOs, conducted in 2019, 25% of respondents expressed the same views.

Governments could view this as an opportunity to remind companies their countries are open for business.

22%

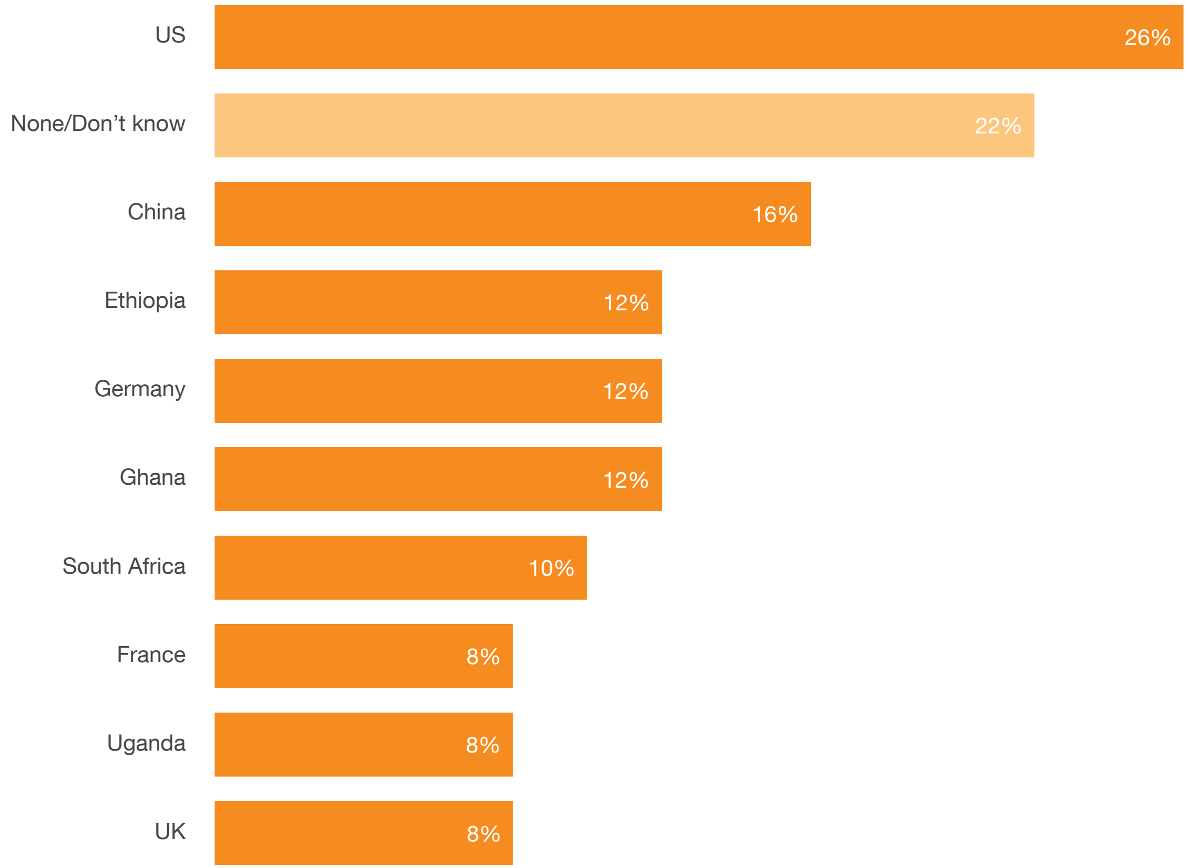
Share of CEOs in Africa who don't know or don't consider any other country important to their organisations' short-term growth prospects (Global: 21%).

Exhibit 8

Many CEOs in Africa are not looking beyond their borders for growth

Question

Which three countries/territories, excluding the country/territory in which you are based, do you consider most important for your organisation's overall growth prospects over the next 12 months? **(Showing Africa)**



Source: PwC 24th Annual Global CEO Survey

Danger online

As much as it offers unprecedented opportunities to transform businesses and create value, the digital and online environment has fast become a major source of anxiety among business leaders across the world. This is reflected in the level to which investments in digital transformation, cybersecurity and privacy are being prioritised (see Exhibit 6).

Now among the top three concerns in Africa, 54% of CEOs on the continent say they are extremely concerned about cybersecurity, up significantly from 38% last year. This response is likely influenced by the increase in **high-visibility cyberattacks** during 2020[14] and the **normalisation of remote working** in response to the COVID-19 pandemic, which has exposed many systems to attack.[15]

Just as the pandemic has brought about a significant increase in digital adoption and transactions, it has also increased the associated risks. Globally, cyberthreats are the top concern for CEOs in the asset and wealth management, insurance, private equity, banking and capital markets, and technology sectors. Additionally, they are recognised as the number one threat by CEOs in North America and Western Europe.

What this high level of concern points to is that all too often cybersecurity has been relegated to the CIO's domain when what's actually needed is a strategic approach aimed at untangling corporate complexity while establishing a framework for governance and shared responsibility.

Also rising rapidly on the list of CEOs' concerns is the spread of misinformation (36% of African CEOs are extremely concerned, up from 23% in last year's study). In Africa, and elsewhere, the recent impact of misinformation on elections, reputations and public health has been profound. At its core, misinformation reflects today's **historically low levels of trust**.[16]

Nearly one-in-four CEOs in Africa are extremely concerned about lack of trust in business. For business leaders who need to build back this trust, being transparent and taking on a stakeholder-centred approach to data can help.

54%

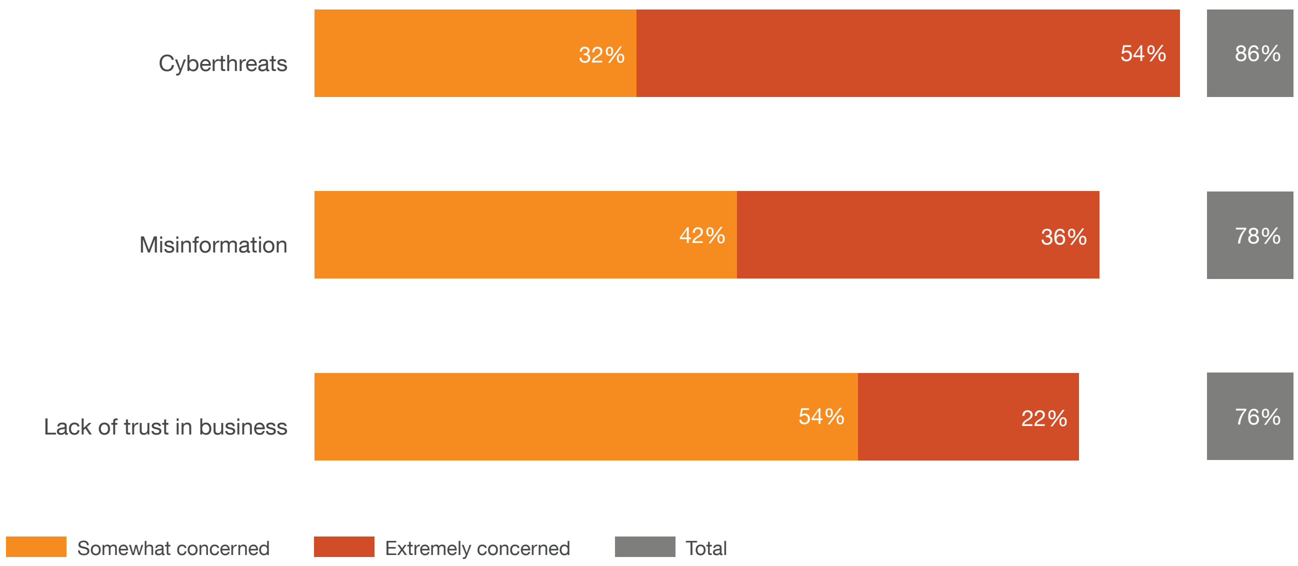
Share of CEOs in Africa who are extremely concerned about cybersecurity (Global: 47%).

Exhibit 9

CEOs recognise the digital revolution as a mixed blessing

Question

How concerned are you, if at all, about cyberthreats/misinformation/lack of trust in business? **(Showing Africa)**



Source: PwC 24th Annual Global CEO Survey

Workforce strategy, people and productivity

In an operating environment that is often daunting, it makes sense for business leaders to focus on factors that they can control. But, they need the right people to drive these initiatives – and thus the prospects for increasing headcount, even in the face of uncertainty and risk, are a leading indicator of how they expect their businesses to grow.

In this year's survey, 42% of CEOs in Africa say they plan to increase headcount, up from 30% in the previous survey and a return to the long-term average. Over the next three years, 60% expect to increase headcount and 56% have explicitly factored the availability of key skills into their strategic risk management activities.

In contrast, those planning to reduce headcount in the next 12 months have increased to 34%, the largest percentage seen in the past eight years. This follows on the heels of the 46% of African CEOs who report that they have already reduced headcount in the past year.

One important factor contributing to this escalation is the extent to which CEOs are changing their workforce strategy to focus on productivity through automation and technology – 78% of CEOs in Africa are seeking operational efficiencies and 24% say they are changing their workforce strategy to focus on productivity through automation and technology.

24%

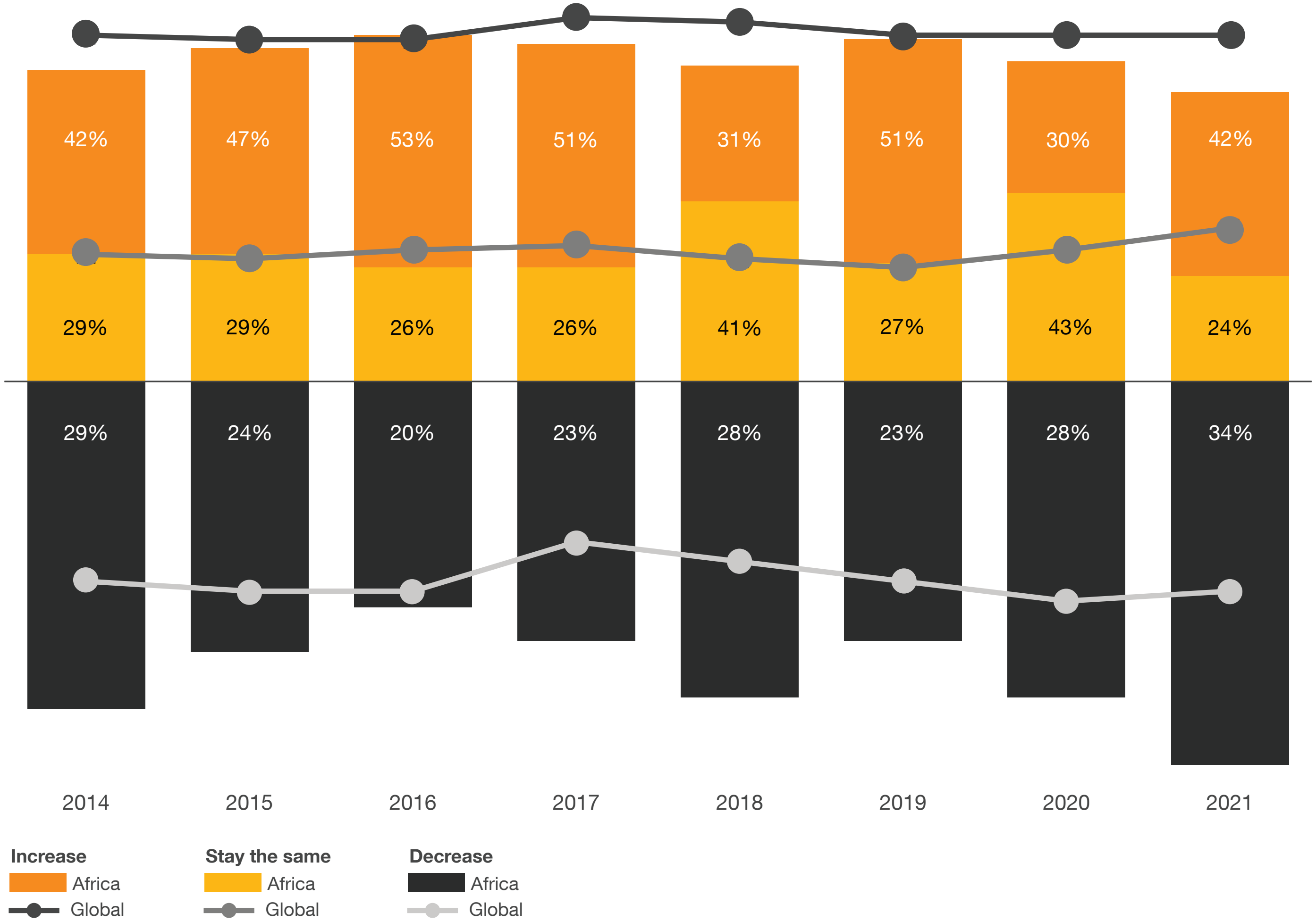
Share of CEOs in Africa focusing on productivity through automation and technology (Global: 36%), an increase of one-third compared to 2016 (Global: 124% increase).

Exhibit 10

Only one-in-four CEOs in Africa plan to leave their headcount unchanged.

Question

How do you expect your organisation's headcount to change in the next 12 months?



Source: PwC 24th Annual Global CEO Survey, PwC analysis

The pandemic has highlighted the importance of people to organisational success. In many cases it has been the adaptability, resolve and creative problem-solving skills of their people that have enabled organisations to continue operating successfully through the crisis. The experience has also highlighted some of the areas in which extra attention is required, including workforce well-being, which has been tested both by the emotional and physical challenges of the pandemic.

In response to what has happened in the past year, leadership and talent development is a major focus for increased investment among CEOs in Africa (see Exhibit 6), who also recognise changing their performance management, corporate culture and engagement, well-being and skills development as a significant source of competitive advantage.

44%

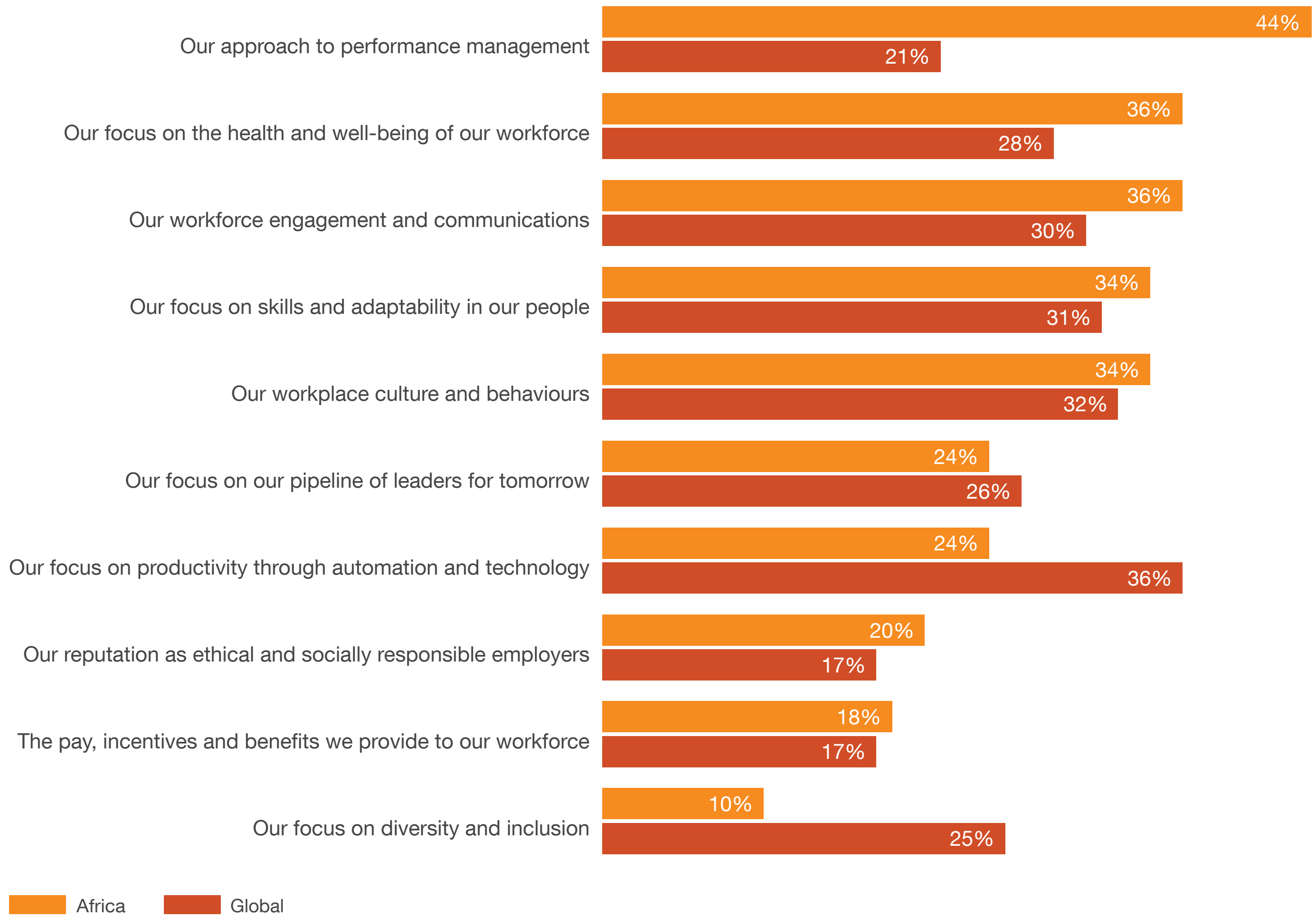
Share of CEOs in Africa changing their approach to performance management, to improve their organisations' competitiveness (Global: 21%).

Exhibit 11

CEOs in Africa are changing their workforce strategy to improve competitiveness

Question

Which aspects of your workforce strategy are you changing, if any, to make the greatest impact on your organisation's competitiveness? **(Showing top ten)**



Source: PwC 24th Annual Global CEO Survey

Business' role in society

When asked to prioritise the societal outcomes that business should help deliver, 68% of CEOs in Africa put the creation of a skilled, educated and adaptable workforce at the top of the list (Global: 61%). This was followed by workforce health and well-being and the provision of adequate physical and digital infrastructure.

It has become increasingly evident in the past number of years that businesses with a clear purpose aligned to a collective sense of social responsibility are more successful in the marketplace and more attractive as employers. This is a particular concern in Africa where 72% of CEOs say they are concerned about the availability of key skills, and a third of these express extreme concern.

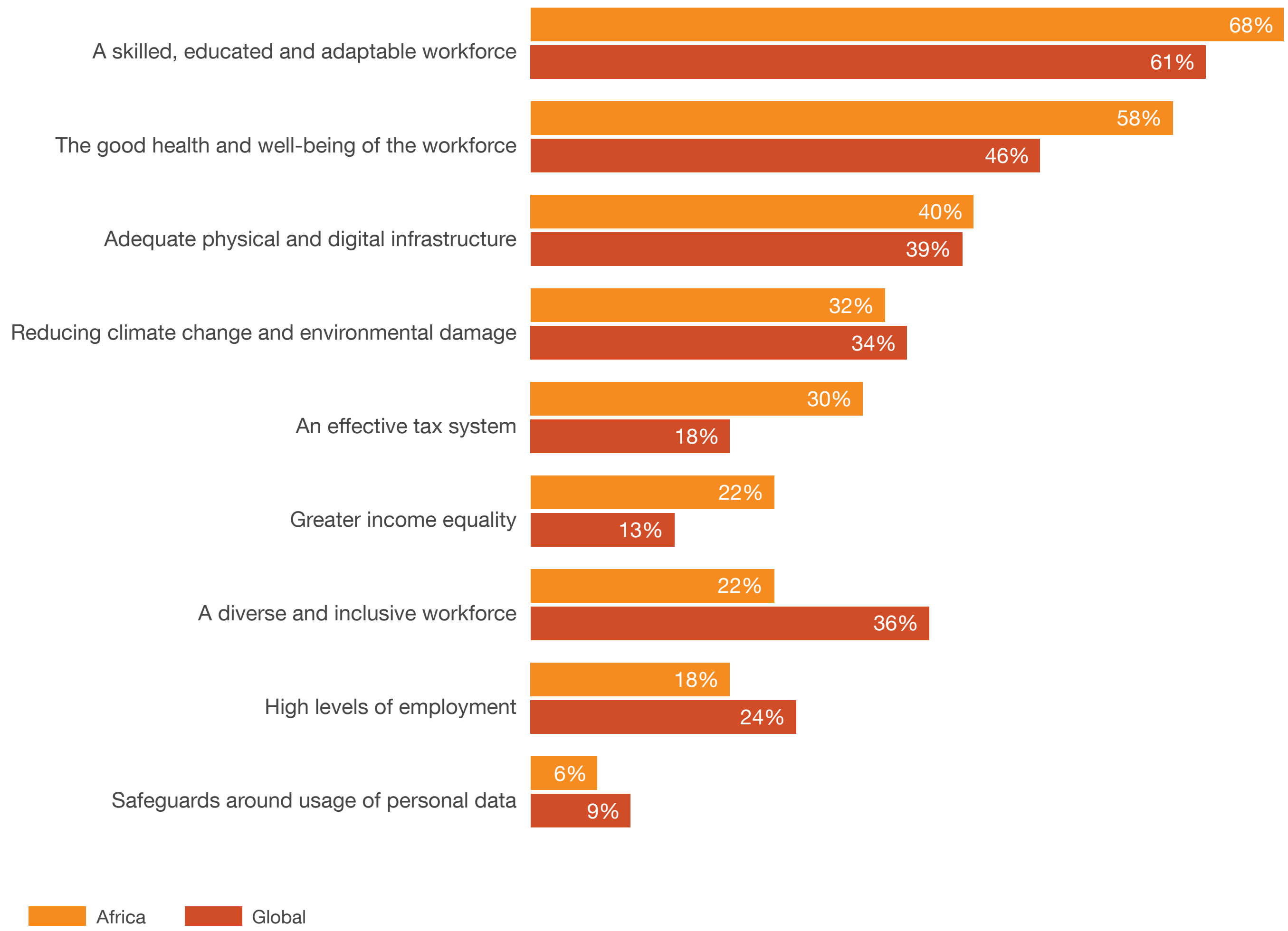
Talented people want to work for companies that they admire. These companies and their employees also tend to congregate where they can leverage the network effect of other innovative, purpose-driven companies. In the context of the often immense skills shortage in Africa, this can be a vital differentiator for businesses, cities and countries. Governments have a role to play in developing policies to incentivise these networks, including real efforts to fight corruption and promote inclusive growth.

Exhibit 12

CEOs recognise a skilled, educated and adaptable workforce as business' priority contribution to society

Question

Which three of these outcomes do you think should be priorities for business to help deliver in the country/territory in which you are based?



Source: PwC 24th Annual Global CEO Survey

Addressing asymmetries

A growing number of CEOs are seeking to boost their organisation's competitiveness through digital investments in the workforce. In Africa, 24% aim to focus on productivity through technology and automation (Global: 36%), a third more CEOs than said the same in 2016.

But productivity through automation threatens to leave some behind. One-in-five CEOs globally is extremely concerned about economic inequality as a threat to their growth prospects and that proportion climbs to 36% among African CEOs.

The pandemic has amplified asymmetries among individuals, companies and countries, including those in Africa. It has raised questions about how we can recouple social and economic progress.

Upskilling or reskilling employees to enable their full participation in the workforce means creating more inclusive and sustainable economies and societies that pull people along and enable deeper connections between people and the economic marketplace.

Taxing times ahead

Increased economic activity and productivity will be an important driver of economic recovery, but in the meantime, governments seeking to mitigate the impact of the pandemic both on the domestic economy and on individuals, have taken on **substantial debt**.[17]

It is perhaps no surprise, then, that tax policy uncertainty made a notable rise on the list of threats (In Africa, it ranked third, up from seventh last year). Upward pressures on government debt, coupled with the pandemic's effect on economic growth (and therefore government revenues), naturally raise concerns relating to increases in tax rates and the introduction of additional tax instruments to raise additional revenue.

CEOs are undoubtedly watching debts accumulate as governments intervene with stimulus packages, and realise that the public will expect business to pay its fair share. In Africa, 56% of CEOs are already factoring increasing tax obligations into their strategic risk management activities.

56%

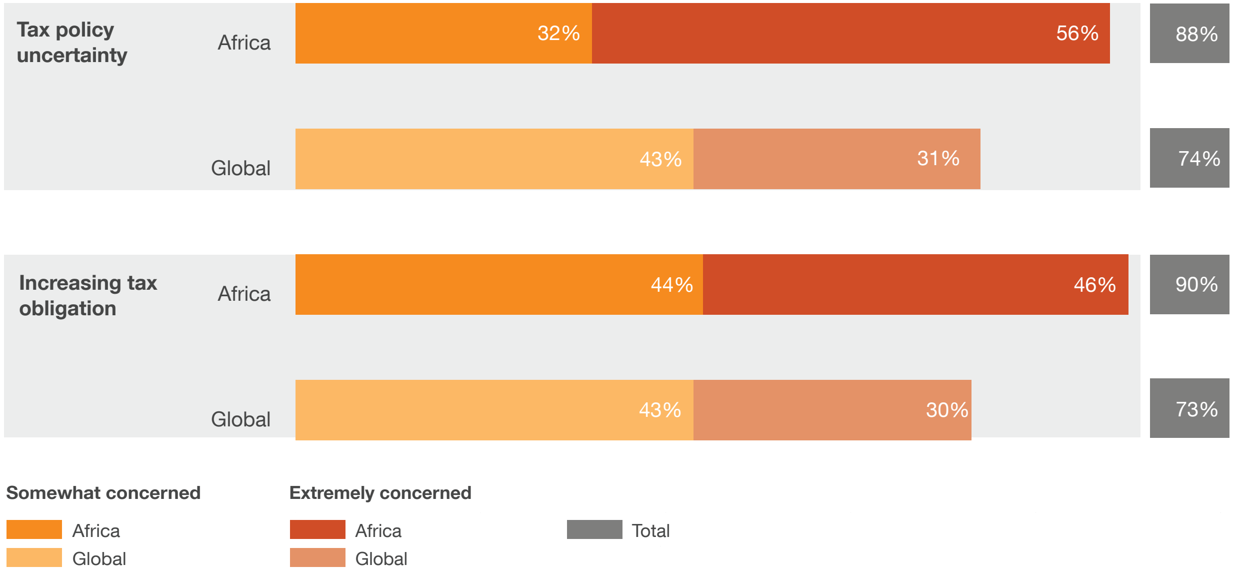
Share of CEOs in Africa who are extremely concerned about tax policy uncertainty (Global: 31%).

Exhibit 13

Tax issues are a significant concern for African CEOs

Question

How concerned are you, if at all, about the following tax threats to your organisation's growth prospects?



Source: PwC 24th Annual Global CEO Survey

Increasing levels of government debt, coupled with lower government revenues caused by lower economic growth, could result in tax increases and the addition of new tax instruments. These could include, for example, digital taxes, which would affect platform-based companies that have profited during the pandemic.[18] The introduction of additional taxes will inevitably result in increased complexity.

Moreover, greater tax transparency is coming and reporting requirements are ever-increasing. Although already the norm in some parts of the world, this will represent a sea change in many African jurisdictions. Anxiety and accountability for how much companies pay in taxes, and where they pay them, appear to be rising in tandem.

A new era of compromise

The tone of tax policy discussion, especially during challenging economic times, tends towards the confrontational. But what we need right now is collaboration based on balance and fairness.[19] Balance is needed because tax is a global issue; it affects where countries invest, where companies operate and where people work. Fairness may get a boost from stakeholder capitalism metrics that set standards for tax contribution reporting: transparency goes a long way in building trust.

82%

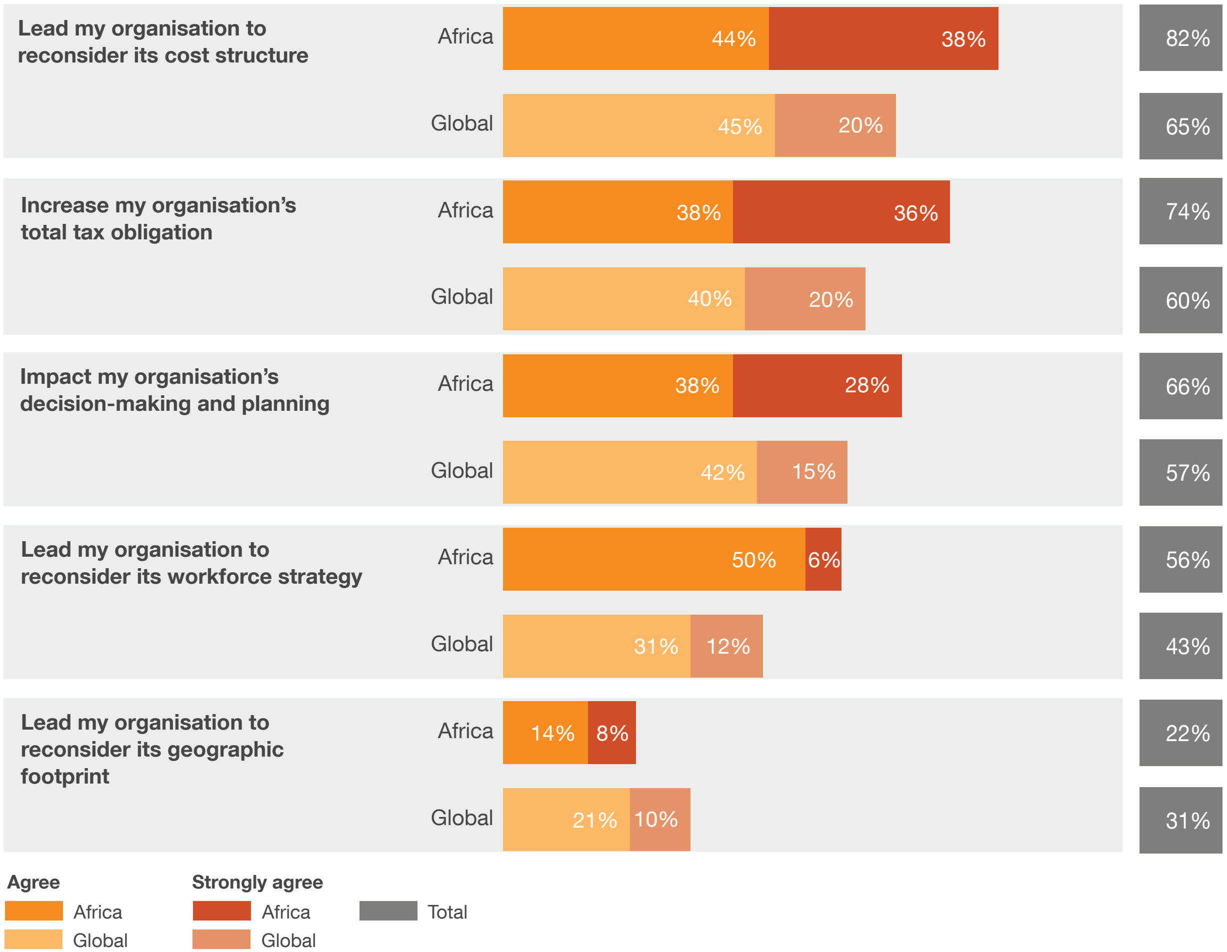
Share of CEOs in Africa who agree or strongly agree that tax policy changes to address rising government debt will lead their organisation to reconsider its cost structure (Global:65%).

Exhibit 14

African CEOs believe tax policy changes could have far-reaching impacts on their businesses

Question

How strongly do you agree or disagree that tax policy changes to address rising government debt levels in the country/territory in which you are based will result in the following outcomes?



Source: PwC 24th Annual Global CEO Survey

The climate change challenge

More surprising than the unexpected rise of pandemics on the threat lists of CEOs was the decline of climate change as a priority among CEOs globally and in Africa specifically. Last year, 30% of CEOs in Africa recognised climate change as an extreme concern. This year, this was down to 22% with African CEOs ranking climate change 22nd on a list of 31 potential threats about which they were extremely concerned.

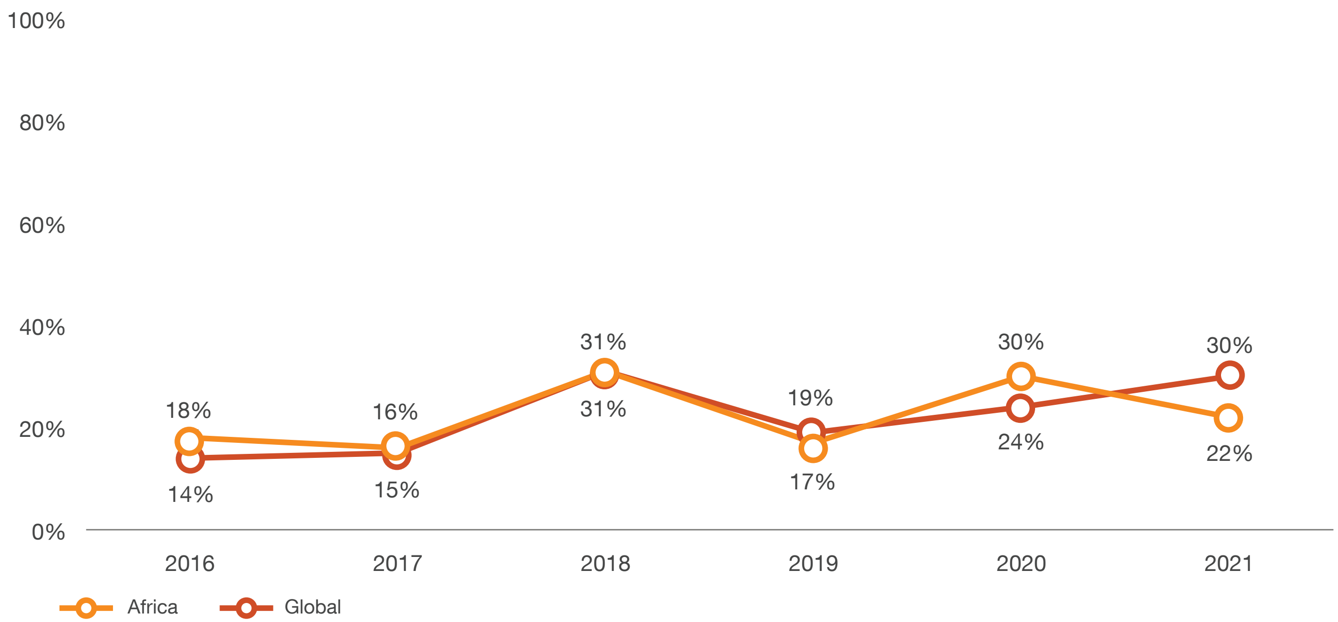
Climate change has certainly declined in importance in the context of rising anxiety about nearly all other threats and 32% of African CEOs report being ‘not very concerned’ about it. Only 32% think reducing climate change and environmental damage should be priorities for businesses to help deliver in their home country and just 20% believe it should be a priority for their government.

Exhibit 15

Climate change has declined in importance as a perceived threat

Question

Which from the following list of potential threats to your organisation's growth prospects are you extremely concerned about? **(Showing 'climate change and environmental damage')**



Source: PwC 24th Annual Global CEO Survey, PwC analysis

The muted level of concern shown by CEOs about climate change is ongoing and contrasts strikingly with the high level of threat climate changes pose to the continent (see Exhibit 16). The **INFORM Risk Index**, which measures the risk of humanitarian crises and disasters globally, shows Africa to be the continent most vulnerable to increasing temperatures and sea levels, changing precipitation patterns and more extreme weather.[20]

Despite the level of threat, 64% of African CEOs have not yet factored climate change into their strategic risk management activities. This is not good news, but it does correlate with the global picture where our research has found a negative correlation between exposure to natural hazards and companies' preparedness for climate-related risk. In short, companies in the countries with the most exposure[22] are less likely to have embedded climate change into their overall risk management approach.

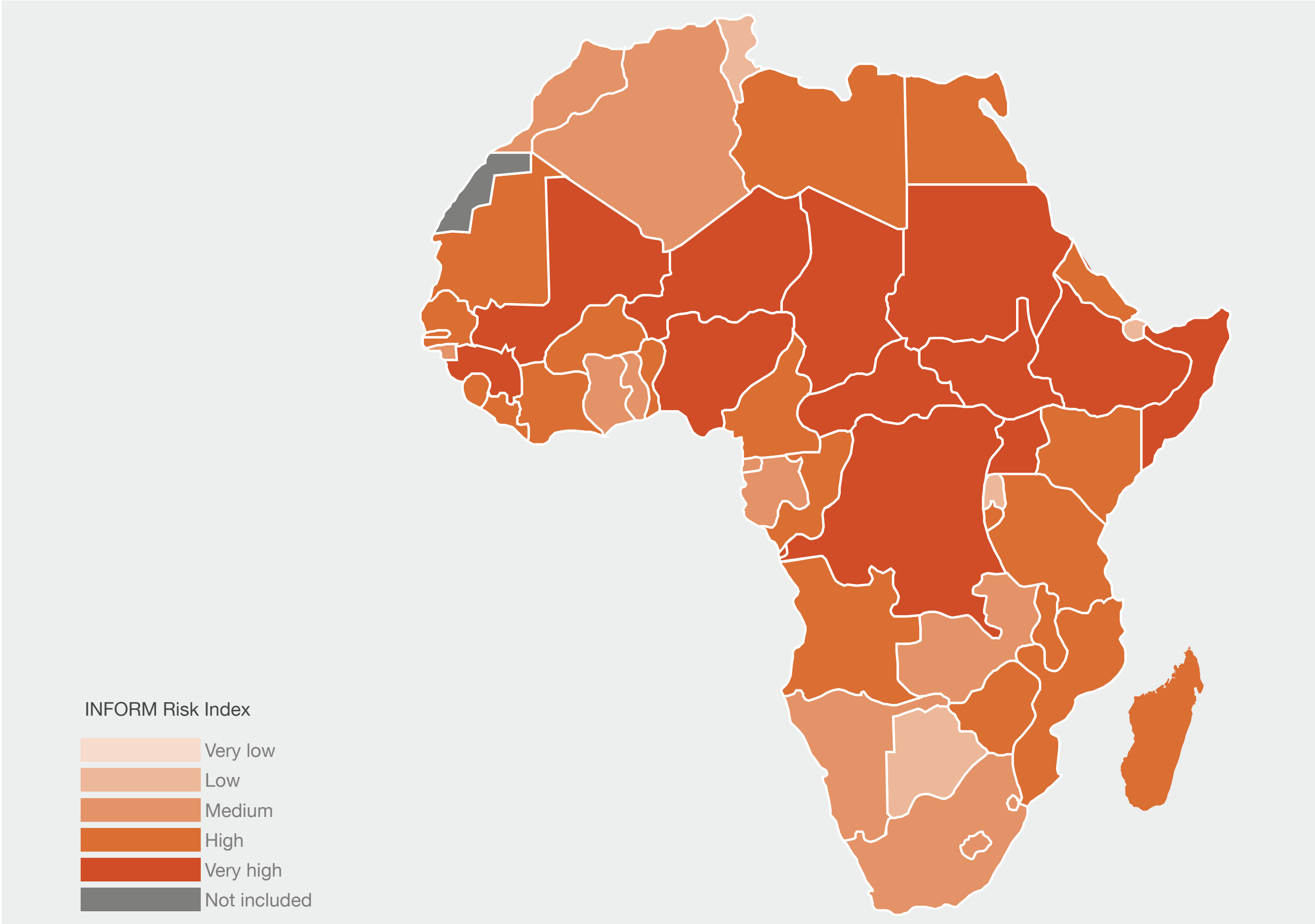
32%

Share of CEOs in Africa who are not concerned or not very concerned about climate change and environmental damage (Global: 28%).

Exhibit 16

Climate change poses a major risk to Africa

Preliminary results showing the effects of climate change on the INFORM Risk Index by the 2050s, including current levels of vulnerability and coping capacity[21]



Source: INFORM Report 2020, © European Commission 2020

Transparency and transformation

Although business participation continues to lag global targets, CEOs are pushing for greater reporting. When asked which areas of their business they should be doing more to measure, 38% of African CEOs identified environmental impact, which 50% said they should also be doing more to report on.

As management guru Peter Drucker purportedly said, "What gets measured, gets managed." If CEOs make their companies accountable[23] – and start applying the same rigour typically reserved for financial reporting – more meaningful climate action should follow.

32%

Share of CEOs in Africa who believe reducing climate change and environmental damage should be a priority for business to help deliver in the country/territory in which they are based (Global: 34%).

Exhibit 17

CEOs recognise the need to measure and report on their organisation's environmental impact.

Question

In which of the following key areas of impact and value do you believe your organisation should be doing more to measure/report? **(Showing 'environmental impact')**

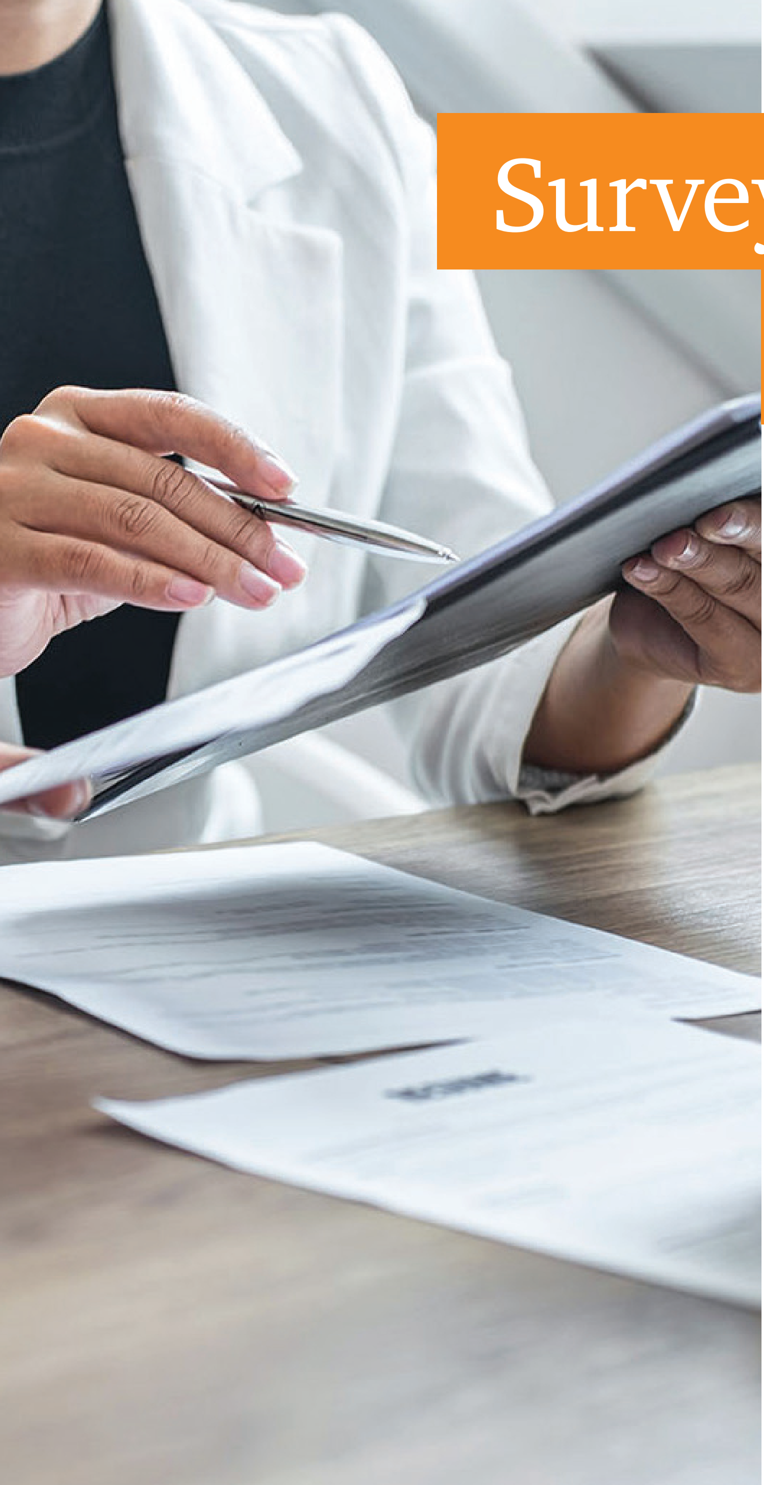
Source: PwC 24th Annual Global CEO Survey

PwC in Africa

PwC's extensive African footprint means we're there for you, wherever you do business.

At PwC, our purpose is to build trust in society and solve important problems. In Africa, we're the largest provider of professional services with close to 400 partners and over 9 000 people in 34 countries. This means that we're able to provide our clients with seamless and consistent service, wherever they're located on the continent.

Our in-depth knowledge and understanding of African operating environments enables us to put ourselves in our clients' shoes to offer tailored tax, assurance and advisory solutions for every business challenge.



Survey methodology

Survey PwC surveyed 5,050 CEOs in 100 countries and territories in January and February of 2021. 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. The results for Africa are based on a sub-sample of 50 CEOs from 14 countries.

Among the 50 African CEOs whose responses were used in our analysis:

- 90% were male.
- 54% had been CEO of their organisation for five years or less.
- 60% of their organisations are privately owned.
- 42% of their organisations had more than 1,000 employees.
- 2% of their organisations had revenues between US$10bn and US$25bn.
- 20% of their organisations had revenues between US$1bn and US$10bn.
- 48% of their organisations had revenues between US$100m and US$1bn.
- 28% of their organisations had revenues of up to US$100m.

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