PwC's 28th Annual Global CEO Survey:
Sub-Saharan Africa perspective

From threats to disruptions

March 2025

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Businesses across Sub-Saharan Africa are facing a time of rapid change and uncertainty, with challenges and opportunities emerging constantly. The convergence of global megatrends—climate change, technological disruption, demographic shift, fracturing world and social instability —has created a volatile environment where traditional business models are being tested like never before.

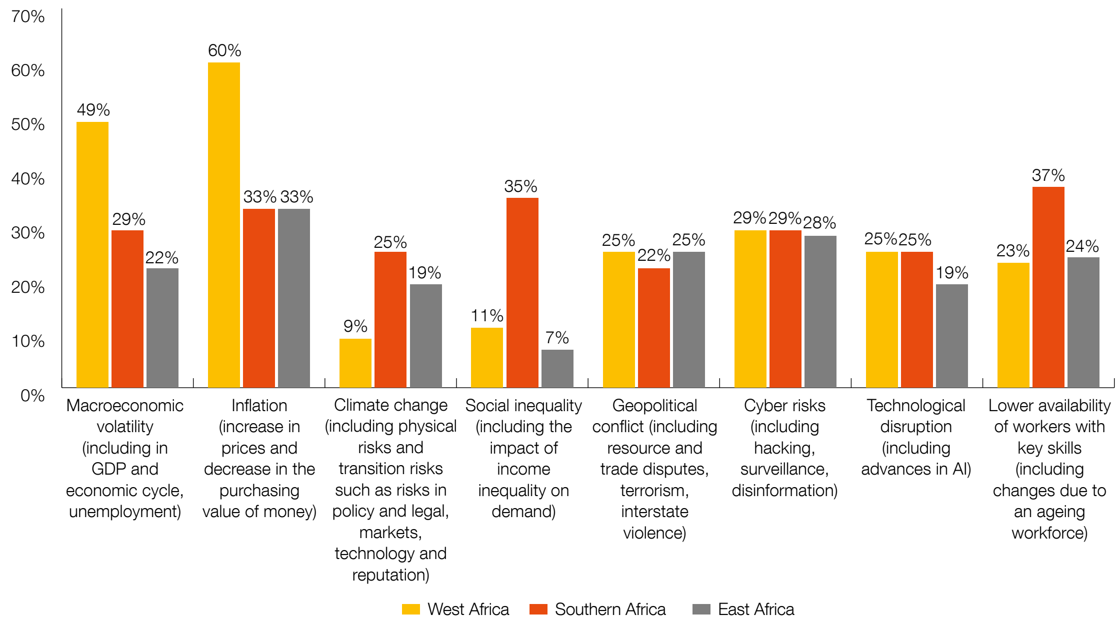
Against this backdrop, the findings from the PwC 28th Annual Global CEO Survey reveal a region at a crossroads, grappling with inflationary pressures, macroeconomic turbulence and shifting consumer expectations, while simultaneously embracing innovation and resilience as pathways to growth.

For CEOs in Sub-Saharan Africa inflation presents significant challenges that can impact their businesses in various ways. One of the primary concerns is the reduced purchasing power, which can lead to decreased demand for products and services, ultimately affecting sales and revenue. Additionally, it creates uncertainty about future costs, making it difficult for businesses to plan and budget effectively. This uncertainty can hinder long-term strategic planning and investment decisions.

CEOs in Sub-Saharan Africa are also facing significant challenges due to macroeconomic volatility. Another key concern is the unpredictability of economic conditions, which can make it difficult for businesses to plan and budget effectively. This uncertainty can hinder long-term strategic planning and investment decisions, as businesses may be hesitant to commit resources without a clear understanding of future economic conditions.

Yet, amidst these challenges, there is a noticeable sense of optimism among CEOs in Sub-Saharan Africa, with 61% forecasting long-term viability. By leveraging data-driven insights, fostering innovation and embracing a culture of agility, CEOs in Sub-Saharan Africa can not only navigate the threats of today but also build a foundation for enduring success in the decades to come.

Figure 1: How exposed do you believe your company will be to the following key threats in the next 12 months? (SUMMARY NET: Highly or extremely exposed)



The inflation dilemma

Inflation is a major concern for 42% of CEOs in the region. This persistent challenge can erode consumer spending power, leading to reduced demand for products and services. For businesses, inflation means higher costs for raw materials, labour and other operational expenses, which can squeeze profit margins and make it difficult to maintain competitive pricing.

Inflation poses a threat to the stability and predictability needed for strategic planning. Companies must constantly adjust their pricing strategies and cost structures to cope with fluctuating prices, which can divert focus from innovation and long-term growth initiatives. The uncertainty surrounding inflation also complicates financial forecasting and investment decisions, making it harder for businesses to commit to transformative projects. This is further emphasised in PwC's Voice of the Consumer Survey 2024, where 75% of consumers indicated that they believe that inflation will impact their country over the next year.

Navigating macroeconomic turbulence

30% of CEOs feel highly or extremely exposed to macroeconomic volatility. This volatility can stem from various factors such as global economic shifts, political instability and changes in commodity prices. For businesses, these fluctuations create an unpredictable environment that can impact everything from consumer confidence to supply chain stability.

In the face of macroeconomic volatility, CEOs must be agile and resilient, constantly adapting their strategies to mitigate risks and seize opportunities. This requires a deep understanding of market dynamics and the ability to pivot quickly in response to changing conditions. However, the unpredictability of macroeconomic factors can make it challenging to implement long-term strategic plans, as businesses may need to frequently revise their goals and tactics to stay afloat.

The heightened concern among CEOs in West Africa regarding macroeconomic instability and inflation reflects the complex challenges facing this region. Nigeria's recent currency devaluation, which saw the naira lose significant value against major currencies, has intensified inflationary pressures and complicated business planning across the region. The interconnected nature of West Africa economies means that currency volatility in major markets like Nigeria creates ripple effects throughout neighboring countries, particularly affecting cross-border trade and investment decisions. Inflation has been particularly problematic, with 60% of CEOs in the region expressing high exposure concerns, largely driven by rising import costs, supply chain disruptions and the pass-through effects of currency depreciation on consumer prices. West Africa's dependence on imports for both consumer goods and industrial inputs makes it especially vulnerable to external shocks and currency fluctuations. Additionally, macroeconomic volatility concerns (49%) are amplified by global economic uncertainties, regional security challenges and the ongoing process of economic diversification away from traditional commodity exports. This combination of factors has created a challenging operating environment that requires careful navigation and strategic planning from business leaders in the region.

Whilst West African CEOs report high levels of concern around macroeconomic volatility and inflation, their southern and eastern counterparts show slightly lower levels at 29% and 22% respectively.

Despite these shared concerns, the southern region of Sub-Saharan Africa is particularly more concerned about the low availability of skilled labour. This shortage poses a significant challenge to economic growth and development, as it affects the region's ability to meet the demands of a growing economy and to compete globally. As for the eastern region of Sub-Saharan Africa, factors such as cyber risks and geopolitical conflict are more of a concern due to the increasing frequency and sophistication of cyberattacks targeting critical infrastructure, financial institutions and government systems. Additionally, geopolitical conflicts, such as those in the Great Lakes region and the Horn of Africa, exacerbate regional instability and hinder economic development.

“Macroeconomic volatility and inflation present significant challenges for businesses in Sub-Saharan Africa. The unpredictable nature of these economic factors can disrupt strategic planning and operational stability. Inflation drives up the costs, squeezing profit margins and complicating pricing strategies, while macroeconomic volatility creates an uncertain environment that affects everything from consumer confidence to supply chain stability. To navigate these challenges, businesses must remain agile and resilient, continuously adapting their strategies to mitigate risks and seize opportunities. This requires a deep understanding of market dynamics and the ability to pivot quickly in response to changing conditions, ensuring long-term growth and stability.”

Hannelie Gilmour

Consulting and Transformation Platform Leader, PwC South Africa

Next move: To address these threats, CEOs in Sub-Saharan Africa should implement robust risk management strategies to mitigate the impacts of inflation and macroeconomic volatility. This includes diversifying supply chains to reduce dependency on volatile markets, adopting flexible pricing strategies and enhancing financial forecasting capabilities. Investing in workforce development to address skills shortages, particularly in the Southern region, and strengthening cybersecurity measures in the eastern region are also crucial. Additionally, fostering regional collaboration and leveraging technology to improve operational efficiency can help businesses navigate these challenges and sustain long-term growth.

Read our From disruption to reinvention report to explore how CEOs in Sub-Saharan Africa are reinventing their businesses in response to economic threats. We highlight innovative strategies and adaptive measures that business leaders are using to navigate challenges like inflation, macroeconomic volatility, social inequality and skills availability.

Some key insights include:

- Improved profitability: 24% of companies reported slightly better profitability than the industry average and 17% reported significantly better profitability.
- Innovation and scalability: 44% of businesses are developing new products, 42% targeting new customers and 36% exploring alternative market routes.
- AI Integration: 47% of CEOs plan substantial AI integration, with 65% reporting no headcount change and significant efficiency improvements.
- Strategic decision-making: 79% of leaders encourage divergent viewpoints, reflecting a shift towards distributed decision-making.

How can we help: PwC's Business Model Reinvention framework empowers businesses to drive value creation and growth through a collaborative approach with business leaders. By leveraging our human-led, tech-powered capabilities, we help businesses reinvent their models and transform how they create, deliver and capture value.

Our comprehensive approach focuses on four key stages: strategy, structure, solutions and sustain. In the strategy stage, we assist in developing future-focused strategies by targeting outcomes, value propositions and ways-to-play that address evolving profit pool shifts and market needs. During the structure stage, we collaborate to design structures that ensure effective resource and capability allocation to achieve strategic objectives.

In the solutions stage, we utilise our extensive capabilities to build, deliver and test new initiatives, enabling faster scaling and sustainable growth. And finally, in the sustain stage, we leverage agile and flexible resource models to help optimise operations for sustained efficiency and growth.

PwC's broad capabilities span the entire landscape of Business Model Reinvention, from tax and deals to risk and regulation, ensuring that clients can effectively deliver every part of their business strategy. This holistic approach positions businesses to stay ahead of the curve and achieve long-term success.

Methodology

Survey methodology

We surveyed 4,701 CEOs in 109 countries and territories from 1 October through 8 November 2024. The global and regional figures in this report are weighted proportionally to country nominal GDP so CEOs' views are broadly representative across all major regions. The industry- and country-level figures are based on unweighted data from the full sample of 4,701 CEOs, including 4,236 men, 401 women and 64 who identified with another gender or preferred not to say. Further details by region, country and industry are available on request. 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.

A total of 245 weighted responses were used for the Sub-Saharan Africa analysis.

Notes

The respondents in this survey are based in Sub-Saharan Africa. In this report, we specifically refer to the responses of CEOs from Eastern, Western and Southern Africa, excluding Northern Africa.

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

About the reinvention action index

We asked CEOs about the extent to which companies took the following actions in the last five years: developed innovative products or services, implemented new pricing models, collaborated with other organisations, targeted new routes to market, and targeted a new customer base. We then combined responses to this question into an index using factor analysis, a statistical method that enables the combination of individual responses into a factor that they all have in common. Finally, we calculated a number for each CEO that represents their level of reinvention—in other words, a reinvention index score. Index score values represent standard deviations from the mean; a higher score on the index indicates more reinvention.

Advanced statistical techniques

Some analyses used advanced statistical techniques to look for relationships between questionnaire responses. These analyses went beyond dividing CEOs into groups (say, those with high levels of reinvention action and those with low levels) and comparing responses (such as average profit margin) within those groups. Rather, we employed Bayesian multilevel regression analyses within a causal inference framework to estimate counterfactual marginal effects.

Counterfactual marginal effects measure the difference in outcomes that would occur if a specific level of a variable was changed while keeping everything else the same. They help us understand 'what would happen if…?' scenarios, such as predicting how a business outcome might improve if a particular strategy were implemented differently. This approach allowed us to model the relationships between variables, while accounting for uncertainty, and identify the causal effect of one variable on another, assuming that the hypothesised causal model is correct (e.g., no other variables other than the ones adjusted for affect the two variables of interest).

For most of these analyses, we adjusted for the effects of industry (e.g., industry sector, market concentration), company characteristics (e.g., company size, geography) and CEO characteristics (e.g., tenure). Further, we modelled outcome variables based on the assumed data-generating process (e.g., linear regression for normally distributed data and logistic regression for Bernoulli-distributed data); ordinal predictors were modelled as monotonic effects.

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