

4 emerging megatrends opportunities make SA CEOs cautiously optimistic

South African CEOs are cautiously optimistic about potential growth prospects over the next 12 months, seeing opportunities in emerging megatrends such as technological transformation, regulatory change, sustainability, and climate-conscious practices.



Source: © 123rf [123rf](#) South African CEOs are cautiously optimistic about potential growth prospects over the next 12 months, with CEOs recognising the positive impact that GenAI can have on their operations

This is despite a range of challenges and uncertainties says PwC's *27th Annual Global CEO Survey*.

Local CEOs remain concerned about how factors, including social inequality and the operational consequences of new technologies, inflation and policy changes, may affect how they create and deliver value.

PwC's *2024 Africa Business Agenda: South African Perspective* report, looks at what South African CEOs are saying about growth amid current volatile conditions, with a comprehensive analysis of the challenges and opportunities facing the local business landscape.

The report draws on insights from 380 CEOs in sub-Saharan Africa and 48 CEOs in South Africa who participated in PwC's *27th Annual Global CEO Survey*.

South Africa's national general elections

"As South Africa approaches its national general elections, CEOs are closely monitoring how the political landscape, including economic policy, could impact their strategic direction," says Shirley Machaba, PwC South Africa CEO.

“For their businesses, the ability to tactically and rapidly adapt business models to create, deliver and capture value in an evolving environment needs to be decisive.

“We are seeing that forward-thinking leaders are eager to leverage transformation as a catalyst for growth and resilience while continuing to mitigate risks through agile strategic planning,” elaborates Machaba.

CEO’s sentiments

The report assesses CEOs’ sentiments under four key themes: growth sentiment, threats and opportunities, Generative AI, and climate action.

1. Growth sentiment

Following efforts over the past several years to reinvent their businesses, South Africa’s CEOs have a positive outlook on potential growth opportunities – specifically the viability of their organisations and long-term revenue outlook, compared to their global counterparts.

According to PWC’s survey, 60% of CEOs in South Africa believe the global economy will grow in the next 12 months (compared to 38% globally).

However, when asked about their views on the South African economy, CEOs were divided: 33% believe the local economy will grow in the next 12 months, while 31% expect it to decline. The remaining 35% feel it will stay the same.



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2. Threats and opportunities

CEOs globally have had to meet the challenges presented by megatrends (climate change, technological disruption, demographic shifts, social instability and a fracturing world) while protecting the economic viability of their businesses.

Locally, 40% of South Africa’s CEOs identified inflation as a leading threat to how they create and deliver value, followed by macroeconomic volatility (also at 40%).

CEOs also identified social inequality (29%) as another threat to their businesses as well as the role played by technological change. Looking forward, 60% of local CEOs surveyed say technology will be a significant driver in how their businesses perform in the next three years.

3. Generative AI

Many organisations want to build differentiating capabilities, manage costs strategically and grow stronger.

To do this, CEOs need to lead efforts to simplify and standardise their business processes or update their operating

models to enable digital transformation and support growth.

Hannelie Gilmour, PwC Africa transformation platform leader, says: “In today’s fiercely competitive landscape, staying ahead is a necessity. A key way to do this is through business model reinvention. This is the strategic process that fuels innovation, agility and sustainable growth.

“Organisations need to reshape their business models to uncover new revenue streams, optimise operations, and create unforgettable client experiences – and they must do this with trust at the centre.”

On the uptake of Gen AI among South African companies, a majority (65%) of local CEOs say they have not yet adopted it, while 63% say GenAI has not yet impacted their business strategy.

However, these CEOs do recognise the positive impact that GenAI can have on their operations, with 54% agreeing that it will improve the quality of their products and services in the next 12 months, and have a more significant impact on their business in the next three years.



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4. Climate action

CEOs in South Africa are making significant strides in improving their energy efficiency by implementing initiatives to protect their companies’ physical assets or workforce from the physical impacts of climate risk and investing in nature-based climate solutions.

“Going beyond the basic mitigation measures to fundamentally transform operations and business models for a low-carbon future is imperative,” says Lullu Krugel, PwC Africa sustainability leader.

“This includes pursuing renewable energy sources, overhauling supply chains for sustainability and pioneering innovative technologies and circular economy solutions.”

An upward trajectory for South African businesses

It’s clear that the convergence of technological advancements, shifting consumer expectations, and urgent societal and political challenges are presenting CEOs in South Africa with opportunities and imperatives for reinvention.

What remains evident though, is that CEOs have a powerful opportunity to lead the process of strategic discovery and evolve long-standing approaches to value creation.

“As we enter an age of continuous reinvention, leaders are being presented with unparalleled opportunities to reshape their organisations,” Machaba says.

“Looking ahead, today’s leaders need to identify and grasp these opportunities which will not only enable them to thrive amid disruptions, but transform their aspirations into realities.”