

KPMG 2020 CEO Outlook: COVID-19 Special Edition - Asia Pacific highlights

kpmg.com.my/CEOoutlook



Growing in adversity

In January 2020, **67%** of CEOs in Asia Pacific were confident in the growth prospects of the global economy while **85%** were confident in the growth prospects of their company. The COVID-19 crisis has since shaken CEO confidence, with fewer CEOs saying they are confident now than they were at the start of the year when reflecting on business and growth prospects over the next three years.

CEOs who are confident in the growth prospects of **the global economy**:

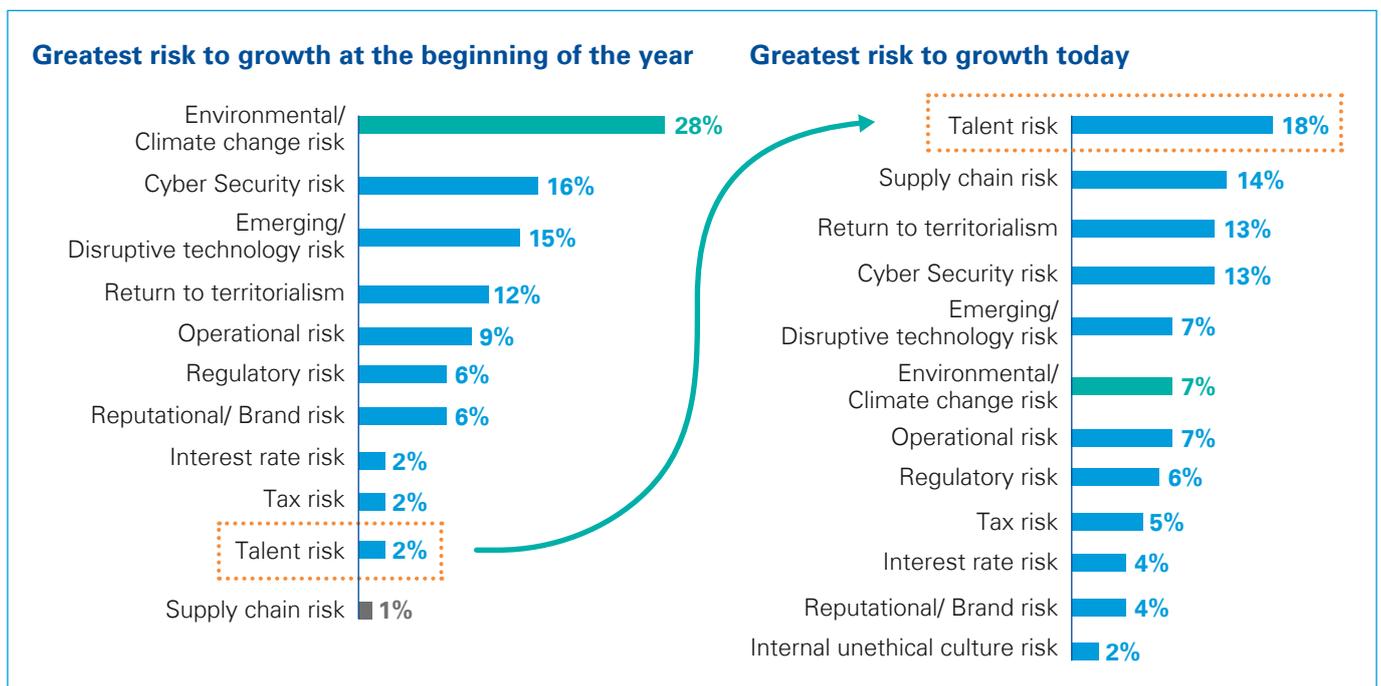


CEOs who are confident in the growth prospects of **their company**:



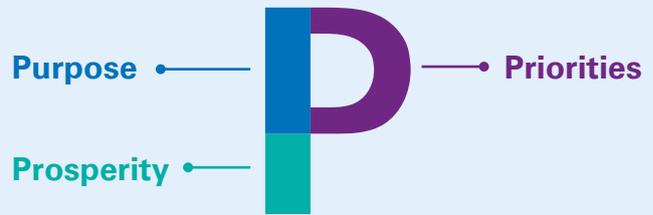
Threats to growth

For CEOs in Asia Pacific, talent risk has risen to be the top threat to growth as a result of the pandemic.



The way forward

CEOs are contemplating a new reality through these 3-P lenses:



Purpose

Trust & Reputation

CEOs are rewriting the leadership playbook to create more trusted and purposeful organizations that play a critical role in addressing societal challenges.

74% agreed that their purpose helped them understand what they need to do to meet the needs of stakeholders.

76% have had to re-evaluate their purpose as a result of COVID-19 to better address the needs of their stakeholders.

79% felt a stronger emotional connection to their purpose since the crisis began.

Prosperity

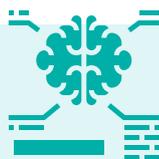
Digital acceleration

CEOs are doubling down on long-term transformation priorities to build the dynamic capabilities needed to succeed in the future.

46% reported sharp acceleration in digitization of operations, putting them years in advance of where they expected to be.

61% plan to place more capital investment in buying new technology and digitization.

75% will continue to build on their organization's use of digital collaboration and communication tools.



Mindset shift!

At the beginning of the year,

64% of CEOs felt overwhelmed by the lead times required to achieve significant progress on digital transformation.

Priorities

Customer-centric supply chain

72% have had to rethink their global supply chain approach due to the disruptive impact of the pandemic.

Primary reasons:

- To become more agile in response to changing customer needs; and
- To become more robust in the event of a natural world disasters

Leaning-in to ESG

66% has responded to the pandemic by shifting focus towards the social component of their ESG program.

71% want to lock-in the sustainability and climate change gains they have made as a result of the crisis.

73% recognize that managing climate-related risks will be key to determining whether they can keep their jobs over the next 5 years.

Rethinking work and talent

72% say remote working has caused them to make **significant changes to their policies to nurture their culture.**

69% say working remotely has **widened their potential talent pool.**

kpmg.com.my/CEOOutlook

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2020 KPMG PLT, a limited liability partnership established under Malaysian law and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International.