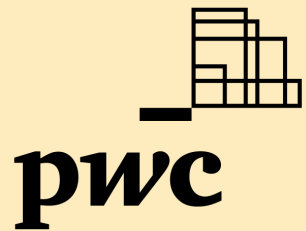


Key findings of 2021 Taiwan CEO Survey

www.pwc.tw/ceosurvey



About the survey

PwC Taiwan has been conducting its Taiwan CEO Survey for ten consecutive years since 2011. This year's survey was conducted via online surveys, telephone and face-to-face interviews from October through to December 2020.

The **PwC Taiwan's 2021 Taiwan CEO Survey** provides unique insights into the thinking of senior corporate executives in Taiwan on a wide range of issues, and its findings attract wide attention among policy-makers, businesses, media and the general public.

The survey, which is based on PwC's annual global CEO survey, seeks to understand how CEOs are reinventing their companies to mitigate global disruptions, such as the impact of the COVID-19 crisis, and ensure sustainable growth.

The report draws on the responses from 234 quantitative questionnaires and 13 in-depth interviews with business leaders.

- 94% of the respondents are public companies, 6% are private.
- 29% of the surveyed companies had annual revenues of less than US\$100 million, and 49% had annual revenues ranging from US\$100 million to US\$1 billion.
- 40% of the respondents are from the Technology, Media & Telecom sector, 15% Industrial Manufacturing and Auto, 11% Consumer Markets, 11% Financial Services , 8% Health Industries, 8% Energy, Utilities and Resources, 5% Retail, and 2% Hospitality and Leisure.

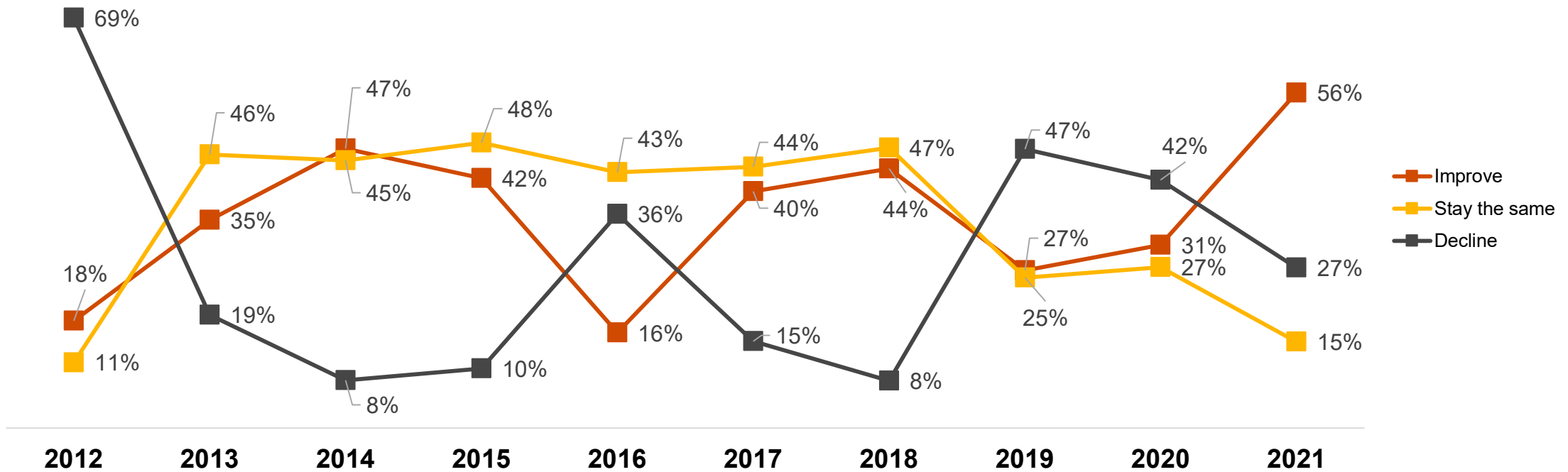
The survey report was released on Feb 3, 2021. The full Chinese version is available at: www.pwc.tw/ceosurvey

1

Repair

A record 56% of Taiwanese business leaders are optimistic that global economic growth will improve over the coming year

Do you believe global economic growth will improve, stay the same, or decline over the next 12 months?



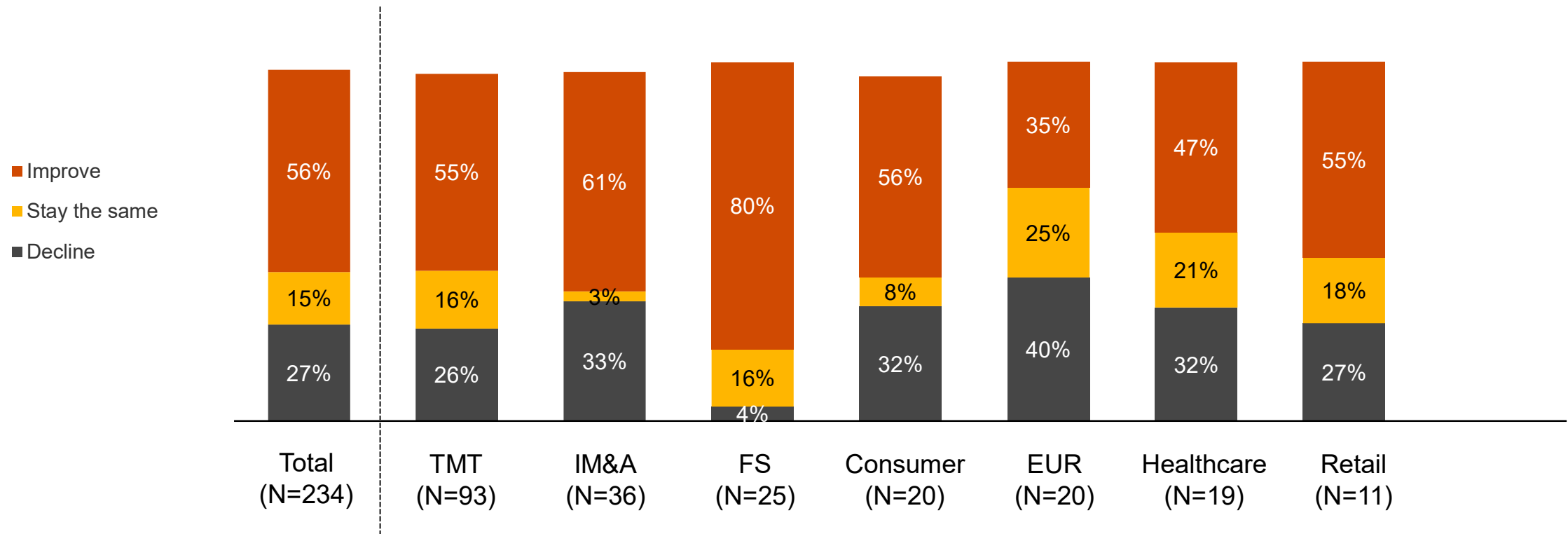
Source | 2012-2021 Taiwan CEO Survey

Base | 2012=101; 2013=105; 2014=116; 2015=102; 2016=112; 2017=123; 2018=227; 2019=245; 2020=211; 2021=234

PwC Taiwan

Taiwanese CEOs across most industries are optimistic about the prospects for global economic growth in 2021

Do you believe global economic growth will improve, stay the same, or decline over the next 12 months?

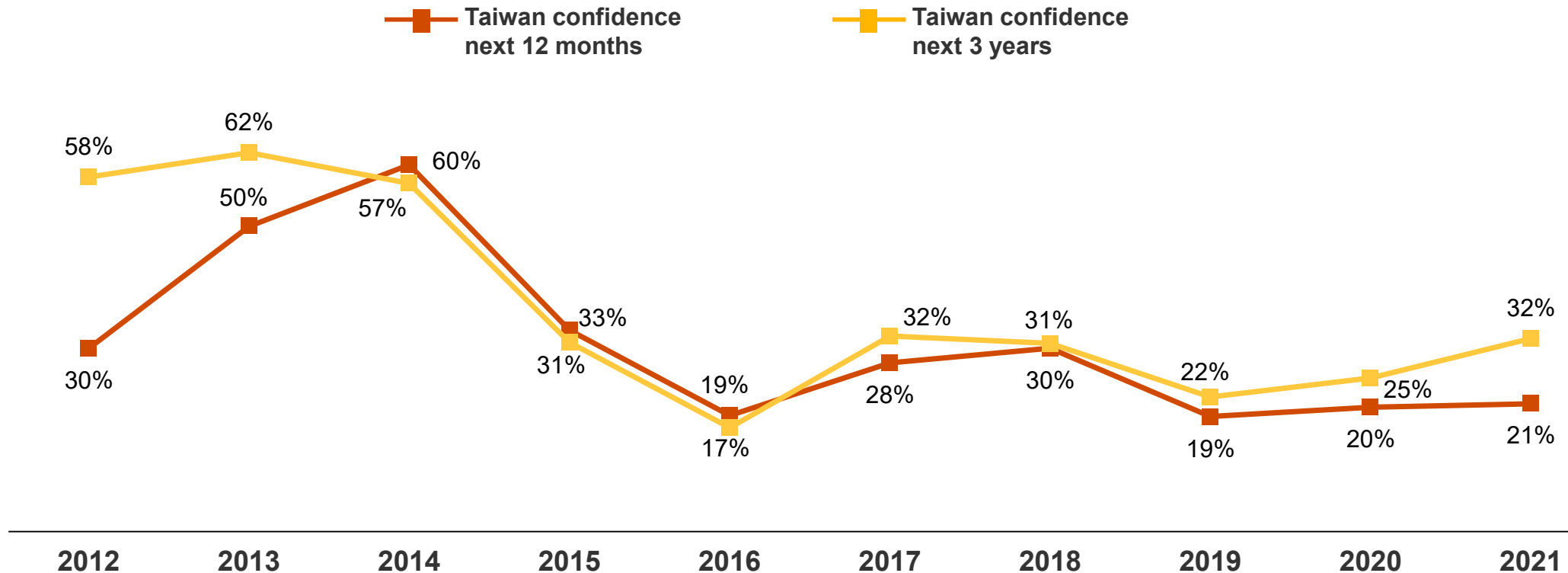


Source | 2021 Taiwan CEO Survey

Note | TMT: Technology, Media and Telecommunications, IM&A: Industrial Manufacturing and Automotive, FS: Financial Services, EUR: Energy, Utilities and Resources

32% of Taiwanese CEOs are very confident about their revenue prospects over the next one to three years

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

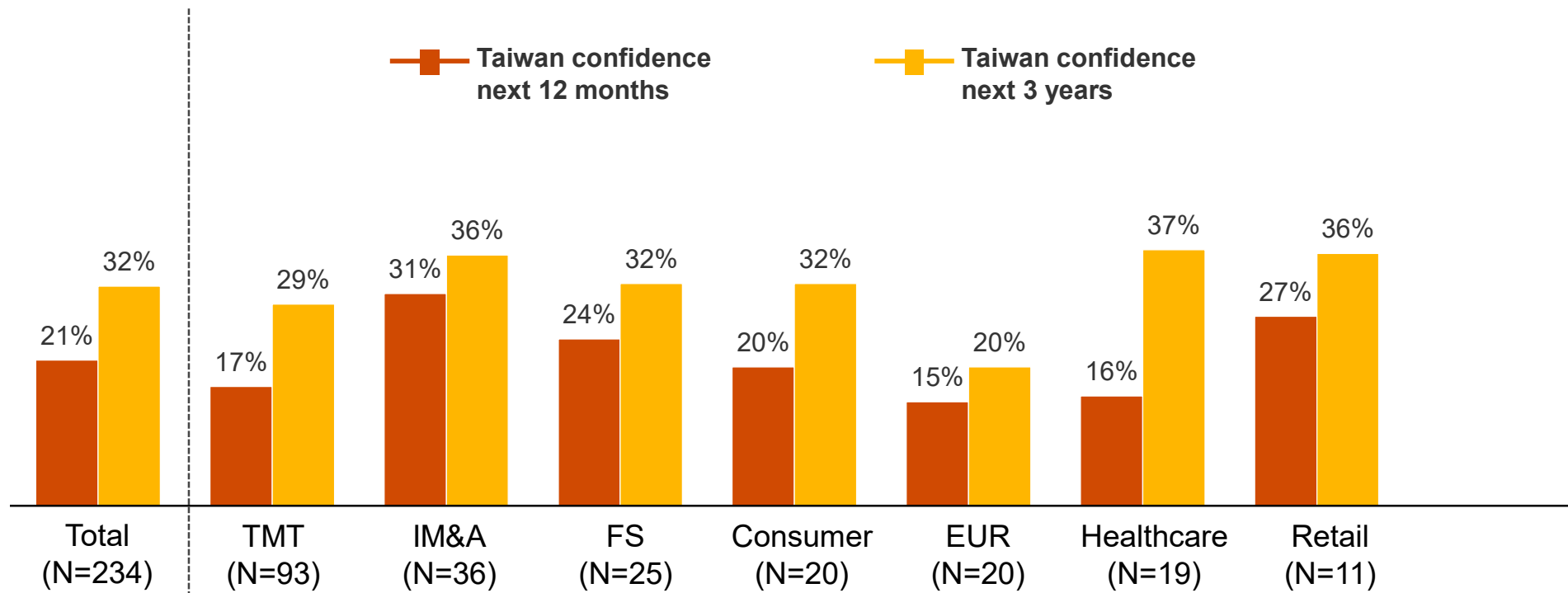


Source | 2012-2021 Taiwan CEO Survey

Base | 2012=101; 2013=105; 2014=116; 2015=102; 2016=112; 2017=123; 2018=227; 2019=245; 2020=211; 2021=234

Taiwanese CEOs across all industries are very confident about their revenue prospects over the next one to three years

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

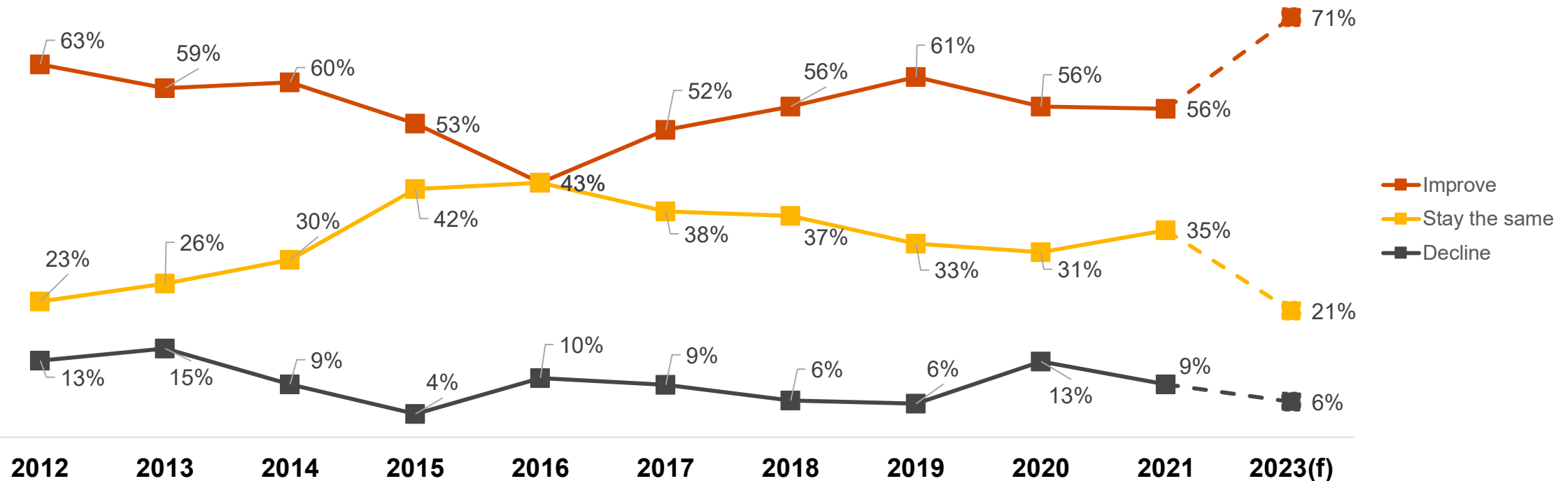


Source | 2021 Taiwan CEO Survey

Note | TMT: Technology, Media and Telecommunications, IM&A: Industrial Manufacturing and Automotive, FS: Financial Services, EUR: Energy, Utilities and Resources

56% of Taiwanese CEOs expect to increase employee headcount in 2021 and 71% over the next three years

How do you expect your organization's headcount will change in the next 12 months and the next three years, which is shown as 2023(f)?



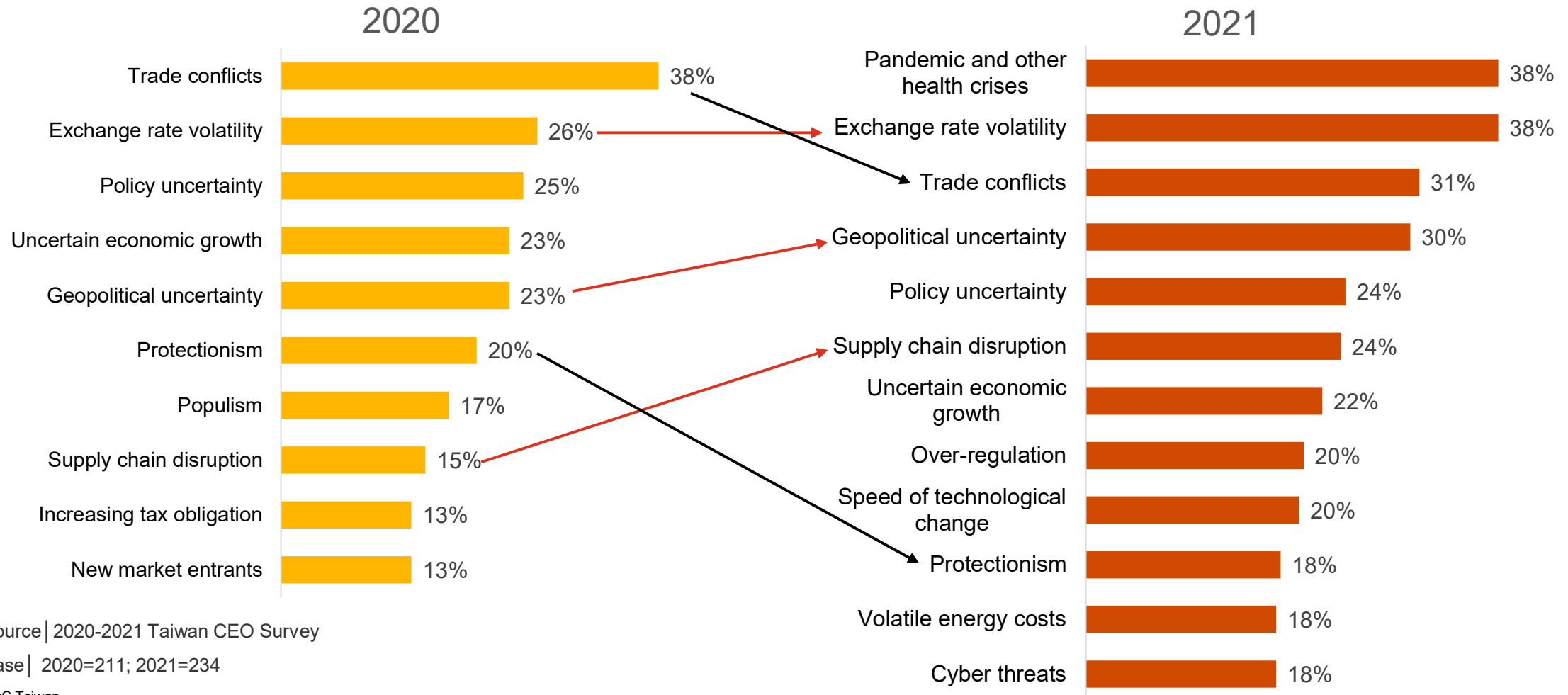
Source | 2012-2021 Taiwan CEO Survey

Base | 2012=101; 2013=105; 2014=116; 2015=102; 2016=112; 2017=123; 2018=227; 2019=245; 2020=211; 2021=234

PwC Taiwan

COVID-19 and other health crises are the top threats to business growth, followed by exchange rate volatility and trade conflicts

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')



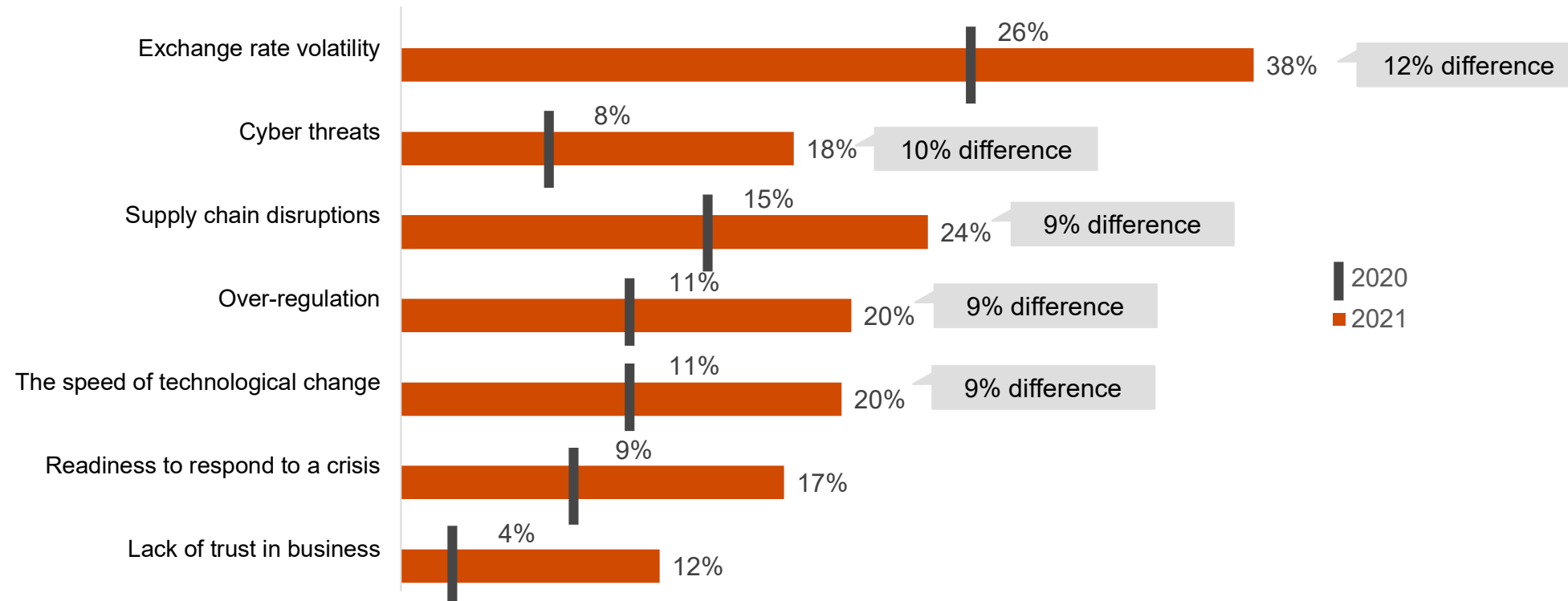
Source | 2020-2021 Taiwan CEO Survey

Base | 2020=211; 2021=234

PwC Taiwan

Excluding COVID-19, Taiwanese CEOs are most worried about FX rate volatility, cyber threats and supply chain disruptions

How concerned are you, if at all, about each of these potential threats to your organisation's growth prospects? (showing only 'extremely concerned')



Source | 2020-2021 Taiwan CEO Survey

Base | 2020=211; 2021=234

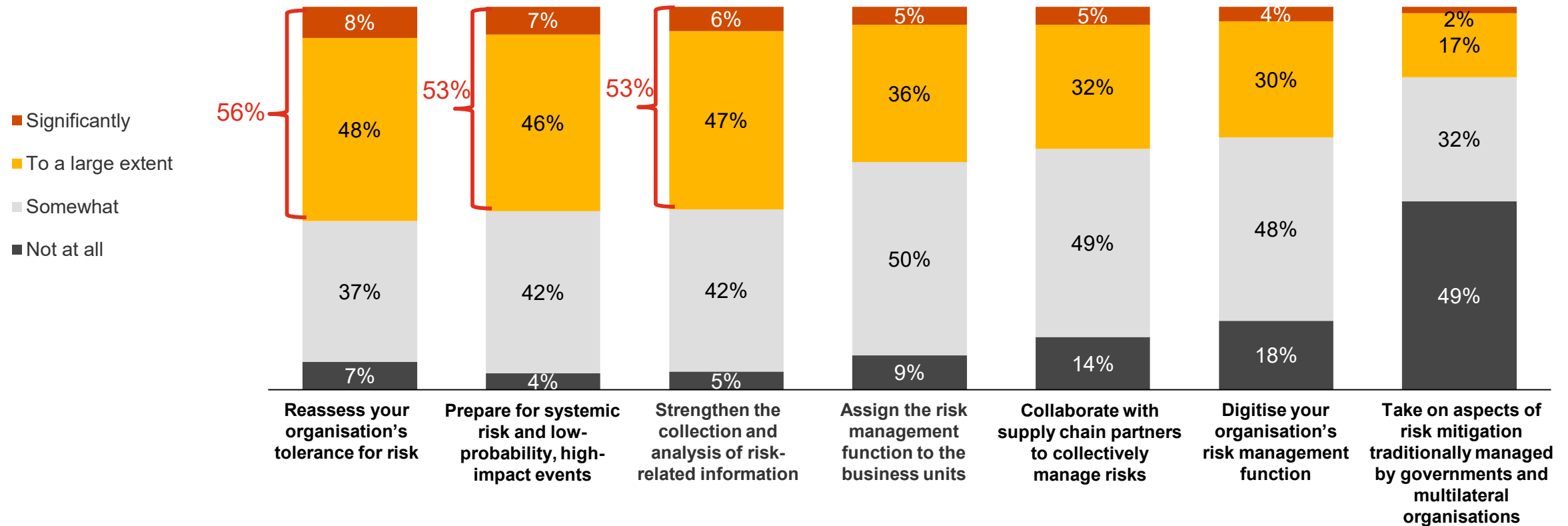
PwC Taiwan

2

**Rethink and
Reconfigure**

56% of Taiwanese businesses are reassessing their tolerance for risk and 53% are making preparations for systemic risks

What changes have your company made in the following areas as a result of the COVID-19 crisis?



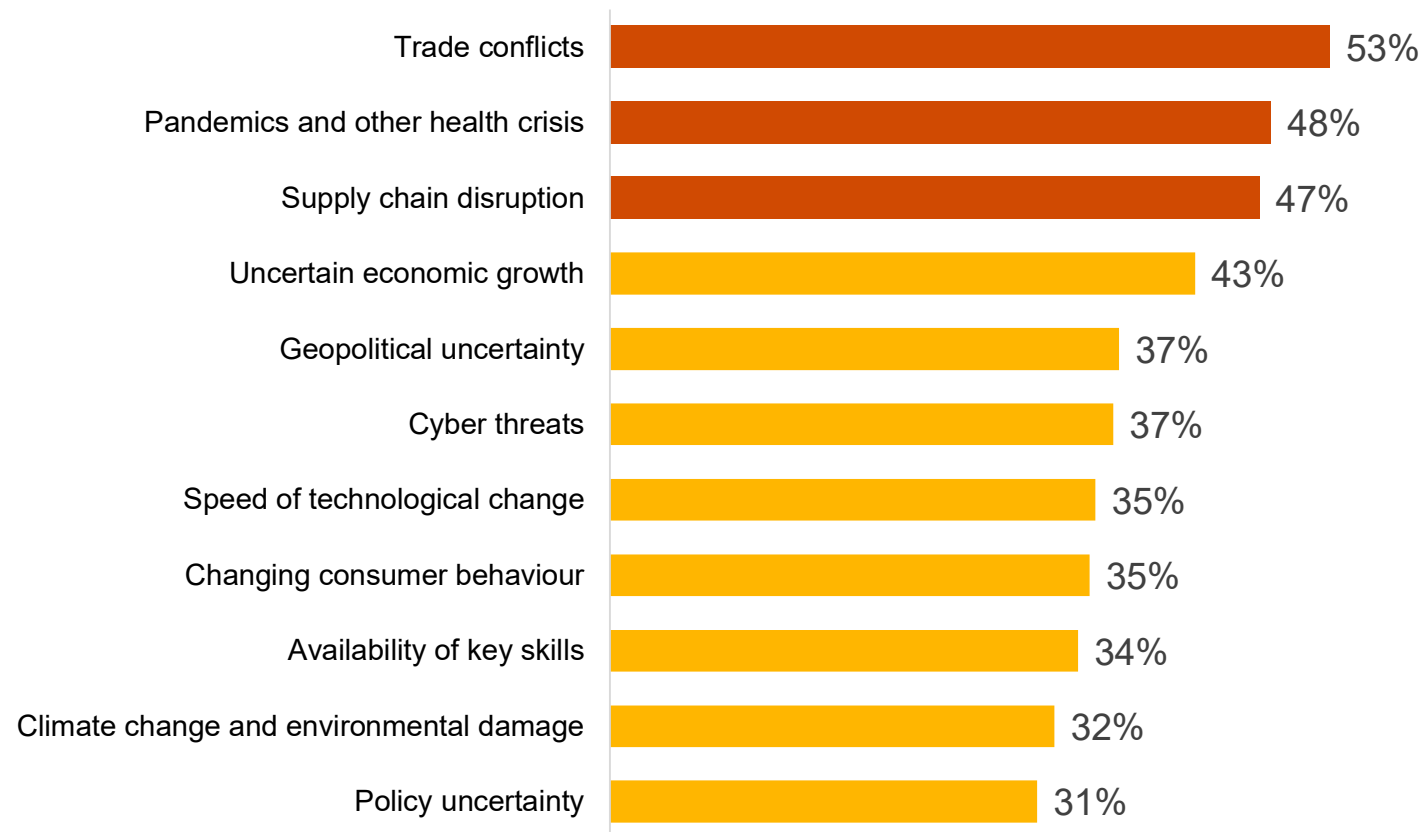
Source | 2021 Taiwan CEO Survey

Base | 234

PwC Taiwan

Trade conflicts are the top threat (53%) factored into the strategic risk management activities of Taiwanese businesses, followed by health pandemics and supply chain disruption

Which of the following threats, if any, are explicitly factored into your strategic risk management activities?



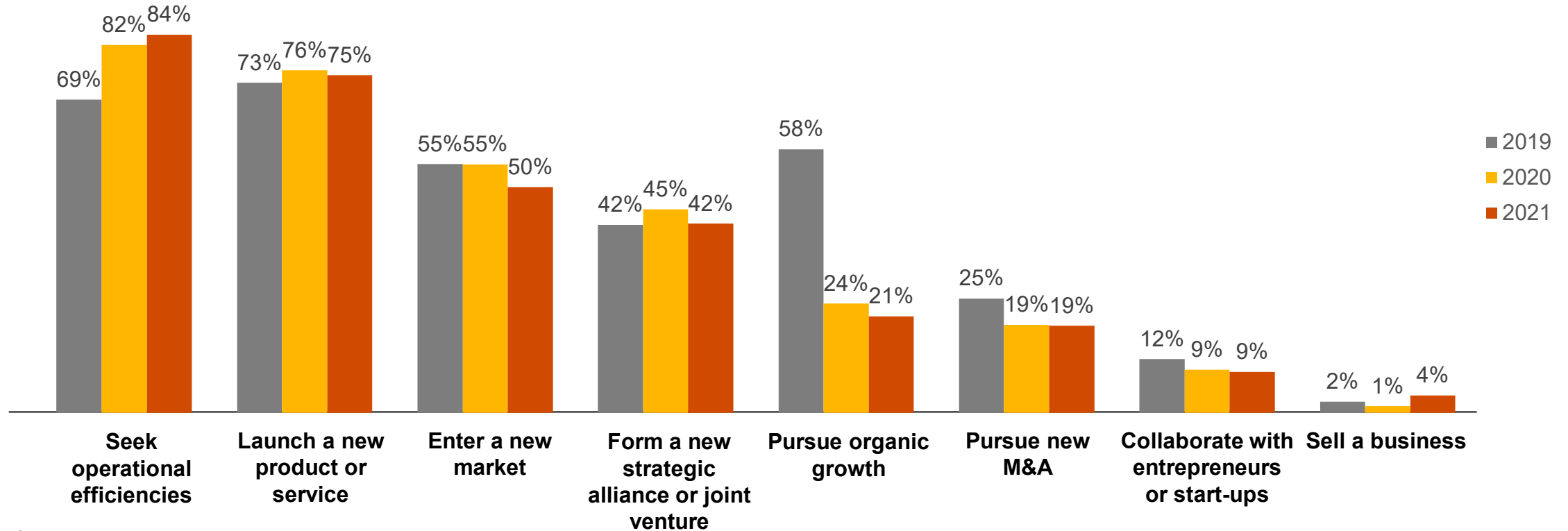
Source | 2021 Taiwan CEO Survey

Base | 234

PwC Taiwan

84% of Taiwanese businesses seek operational efficiencies to drive growth, while only 21% pursue organic growth

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

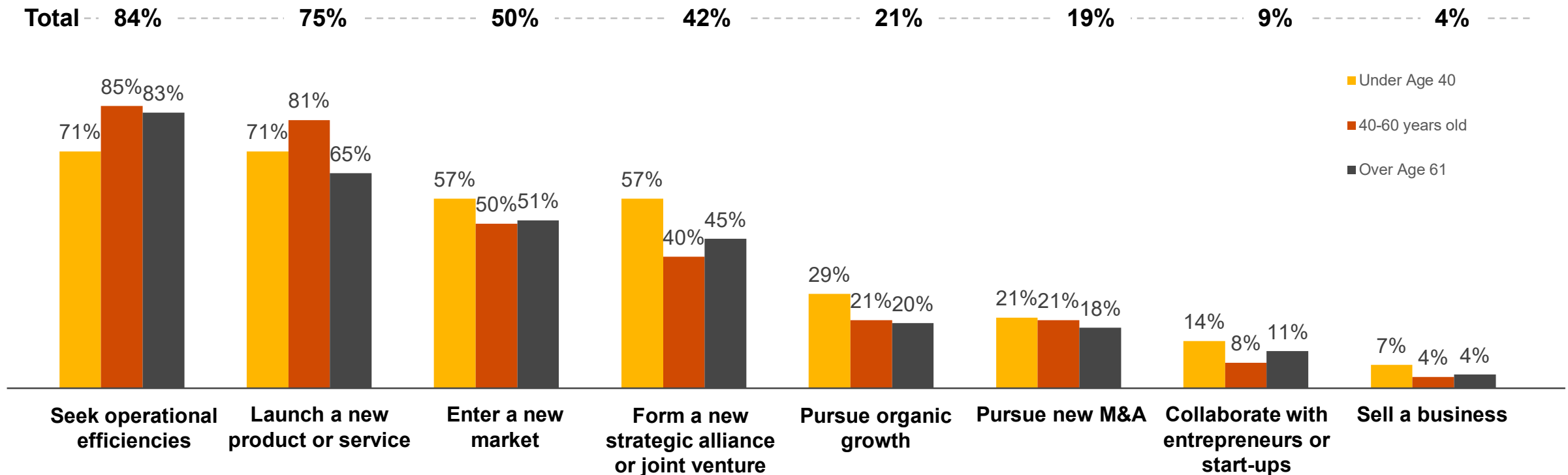


Source | 2019- 2021 Taiwan CEO Survey

Base | 2019=245; 2020=211; 2021=234

Next-generation CEOs are more inclined to drive business growth through forming new strategic alliances or joint ventures and collaborating with entrepreneurs or start-ups

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



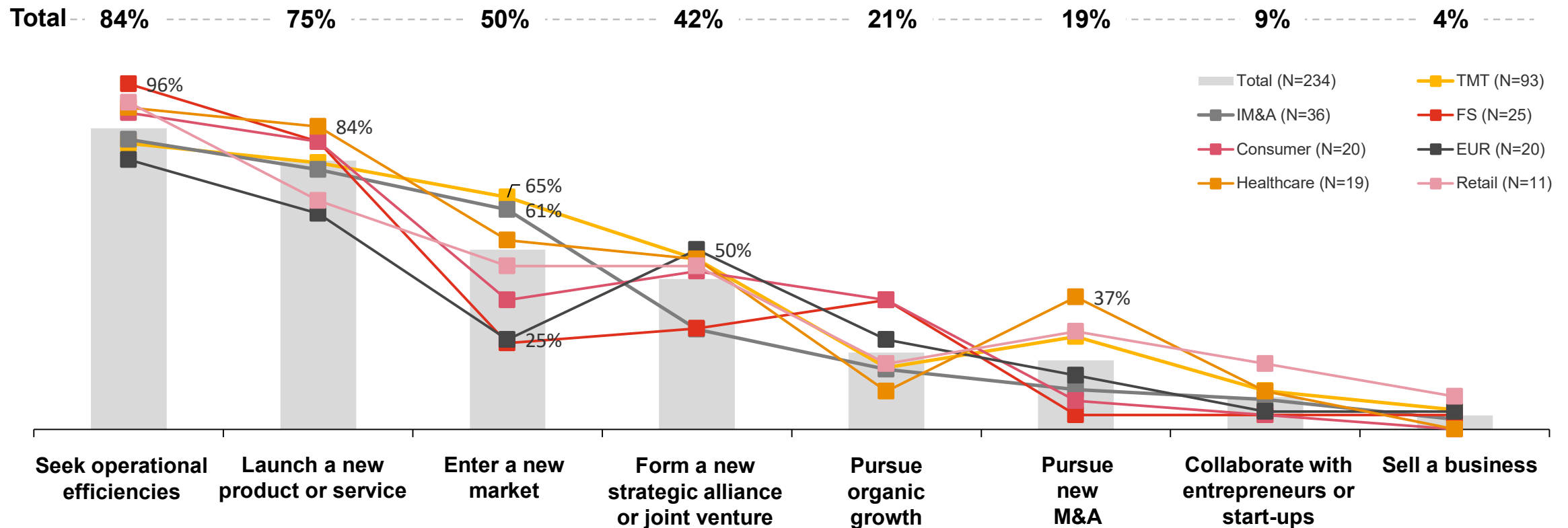
Source | 2021 Taiwan CEO Survey

Base | Total=234; Under Age 40=14; 40-60 years old=141; Over Age 61=71; Prefer not to say=8

PwC Taiwan

Most industry CEOs seek operational efficiencies to drive growth followed by launching new products or services

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



Source | 2021 Taiwan CEO Survey

Note | TMT: Technology, Media and Telecommunications, IM&A: Industrial Manufacturing and Automotive, FS: Financial Services, EUR: Energy, Utilities and Resources

For Taiwanese CEOs pursuing new M&A to drive growth, 72% want to expand or diversify their organisation's product/service mix, while 69% want to acquire capabilities

What are your primary motivations to pursue new M&A?

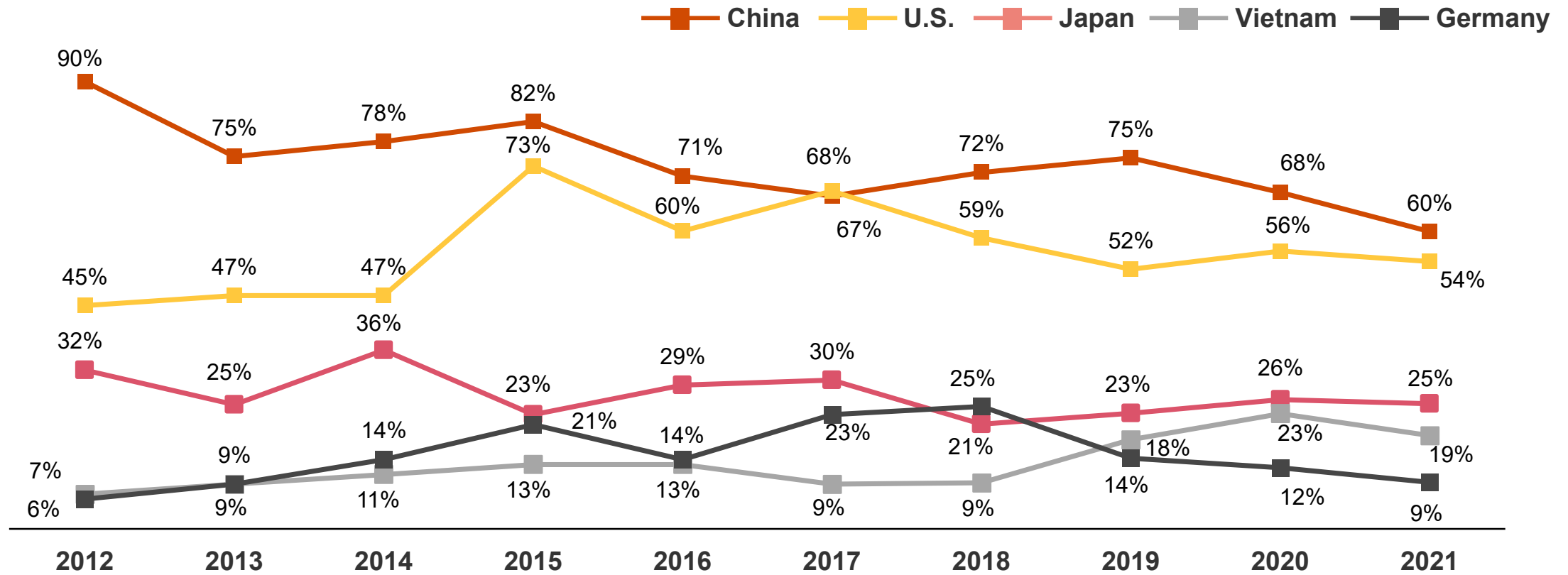


Source | 2021 Taiwan CEO Survey

Base | The respondents who indicated pursuing new M&A as a means to drive growth=45

China and the U.S. remain to be the top two markets for Taiwanese CEOs, but their importance is on a steady decline

Which three countries/territories, excluding Taiwan, do you consider most important for your organisation's overall growth prospects over the next 12 months?

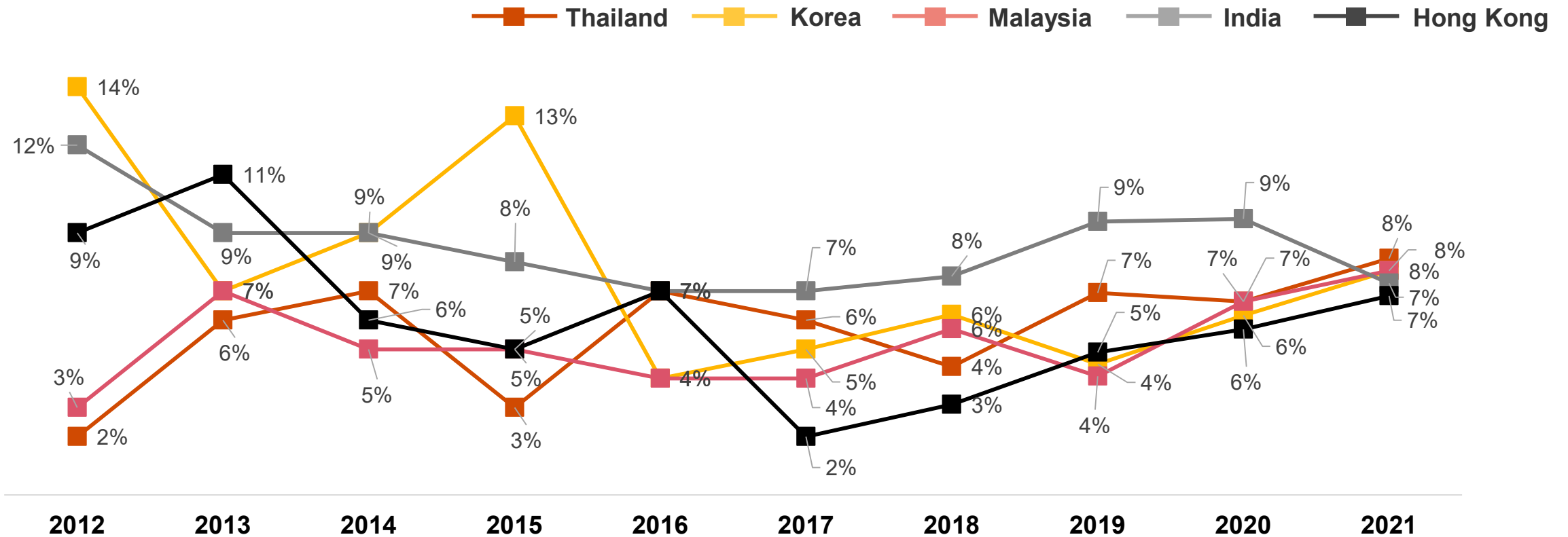


Source | 2012-2021 Taiwan CEO Survey

Base | 2012=101; 2013=105; 2014=116; 2015=102; 2016=112; 2017=123; 2018=227; 2019=245; 2020=211; 2021=234

The importance of Thailand, Korea and Malaysia to growth prospects for Taiwanese businesses is on the rise

Which three countries/territories, excluding Taiwan, do you consider most important for your organisation's overall growth prospects over the next 12 months?

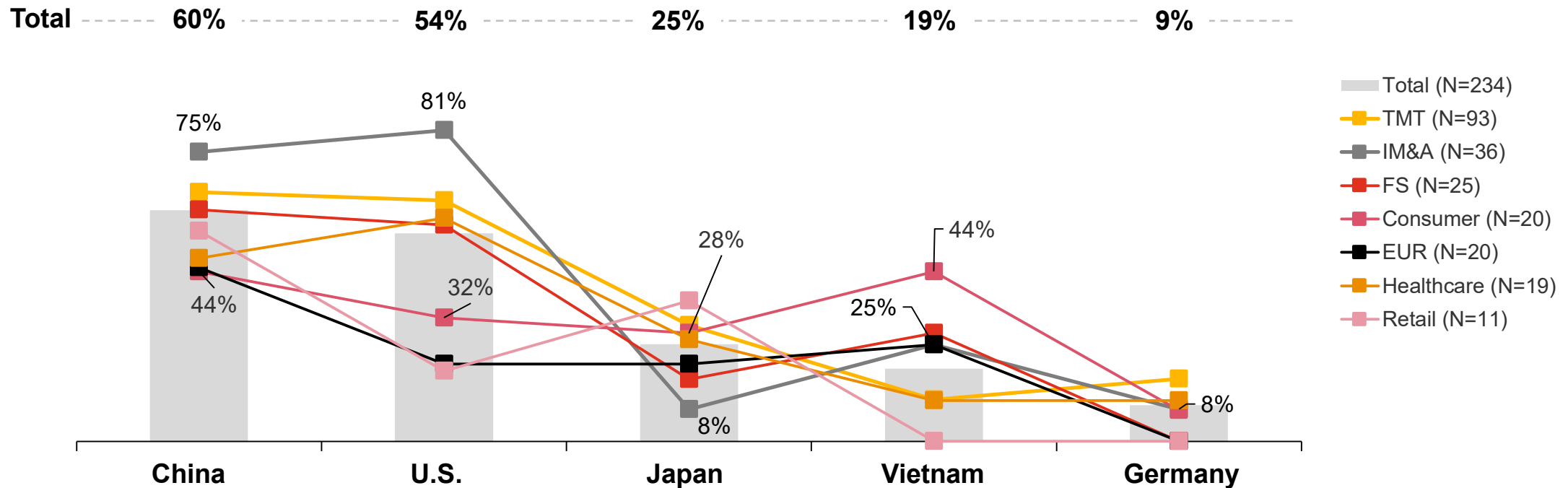


Source | 2012-2021 Taiwan CEO Survey

Base | 2012=101; 2013=105; 2014=116; 2015=102; 2016=112; 2017=123; 2018=227; 2019=245; 2020=211; 2021=234

Top three important overseas markets by industry

Which three countries/territories, excluding Taiwan, do you consider most important for your organisation's overall growth prospects over the next 12 months?

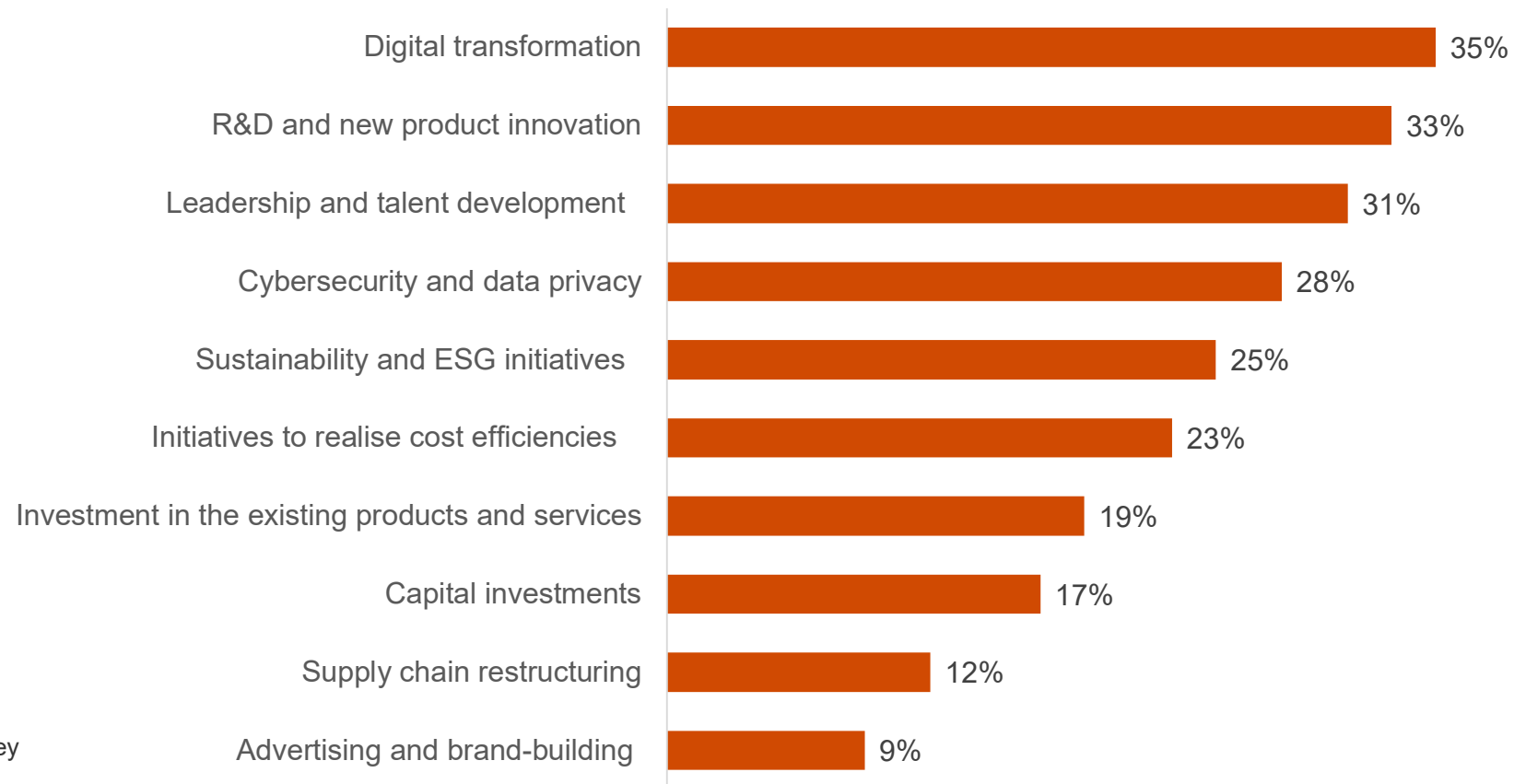


Source | 2021 Taiwan CEO Survey

Note | TMT: Technology, Media and Telecommunications, IM&A: Industrial Manufacturing and Automotive, FS: Financial Services, EUR: Energy, Utilities and Resources

To remain competitive in the long run, 35% of Taiwanese CEOs plan to invest heavily in digital transformation, followed by R&D and new product innovation, as well as leadership and talent development

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?



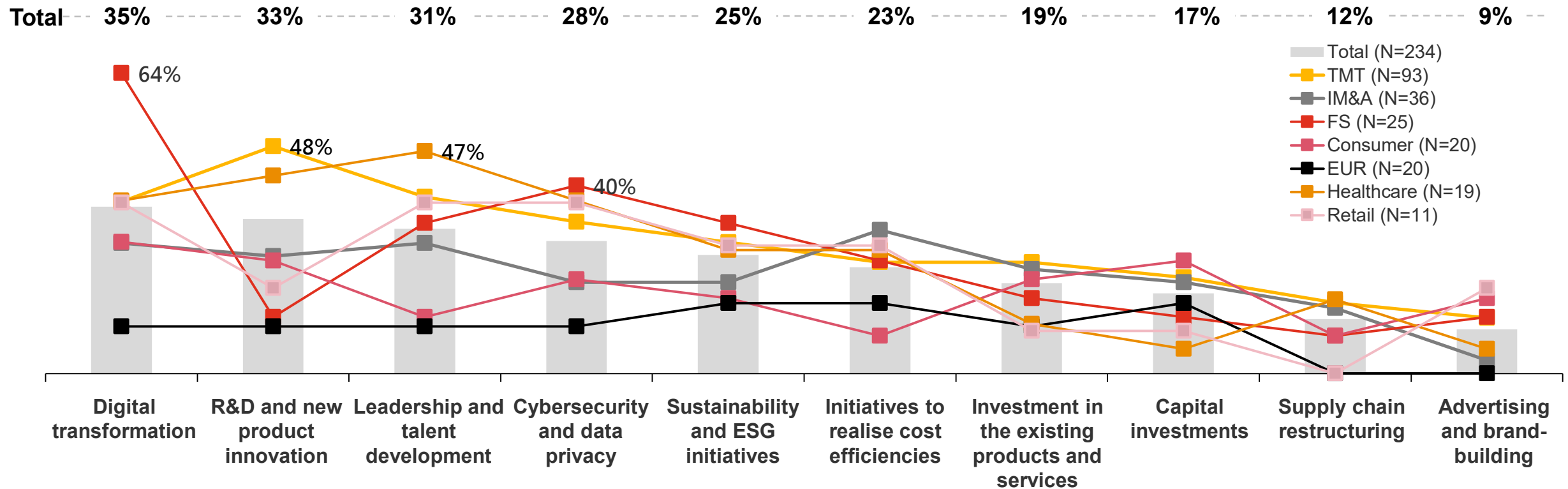
Source | 2021 Taiwan CEO Survey

Base | 234

PwC Taiwan

Top three areas for long-term investment by industry

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?

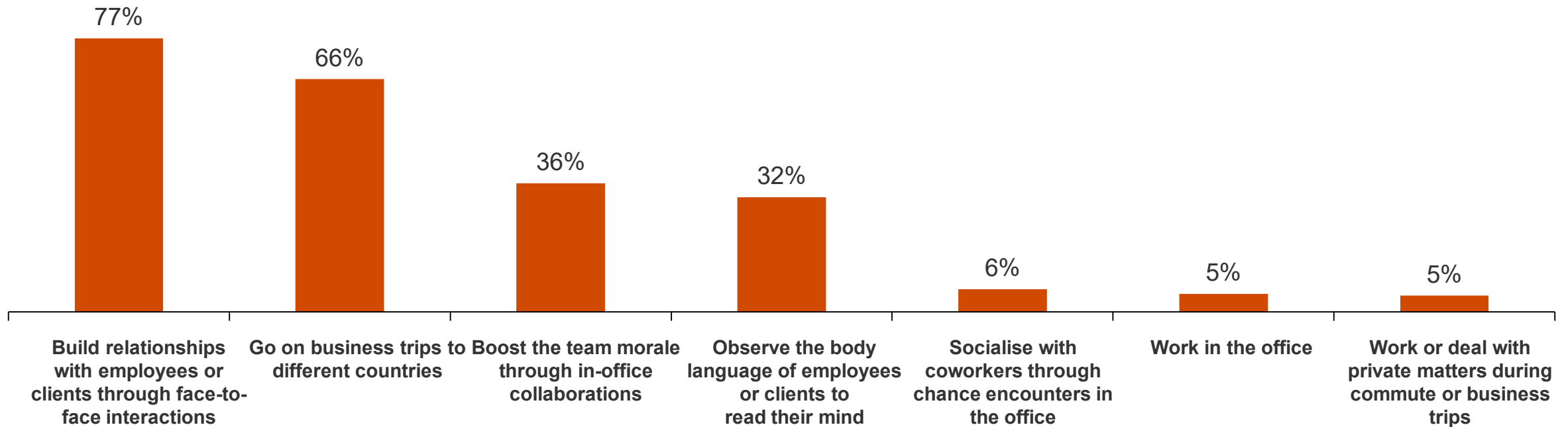


Source | 2021 Taiwan CEO Survey

Note | TMT: Technology, Media and Telecommunications, IM&A: Industrial Manufacturing and Automotive, FS: Financial Services, EUR: Energy, Utilities and Resources

With normal business activity impacted by COVID-19, 77% of Taiwanese CEOs miss face-to-face interactions with clients, and 66% miss going on business trips to different countries

What do you miss the most about the way you worked before the COVID-19 crisis?



Source | 2021 Taiwan CEO Survey

Base | 234

PwC Taiwan

Developing tomorrow's leaders is the top focus (53%) of Taiwanese businesses, followed by automation and upskilling

Which aspects of your workforce strategy are you changing, if any, to make the greatest impact on your organisation's competitiveness?



Source | 2021 Taiwan CEO Survey

Base | 234

PwC Taiwan

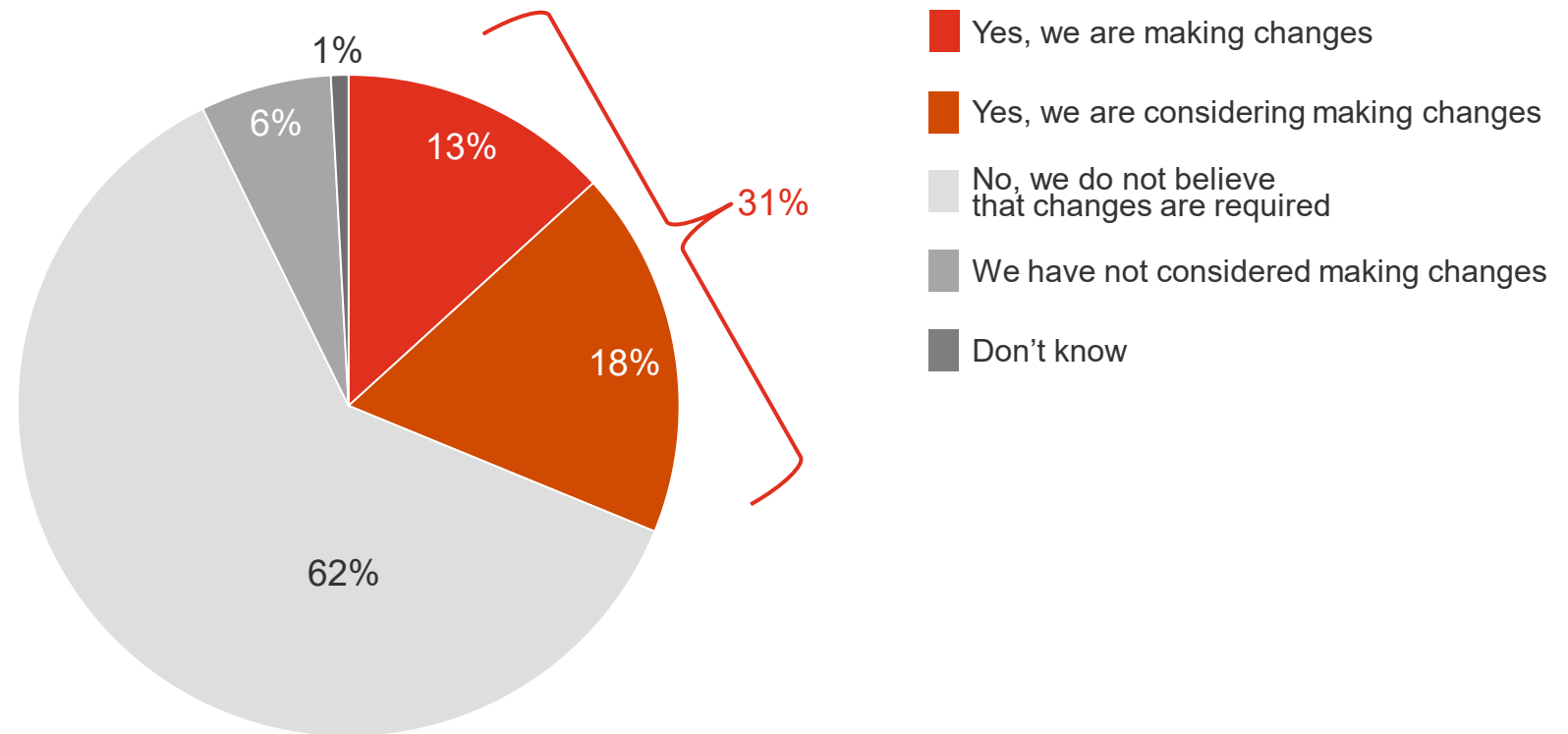
3

Report

31% of Taiwanese businesses are changing or considering to change the purpose of their organisations due to COVID-19

As a result of the COVID-19 crisis, are you making any changes to your organisational purpose to better reflect the role your organisation plays in society?

* New question



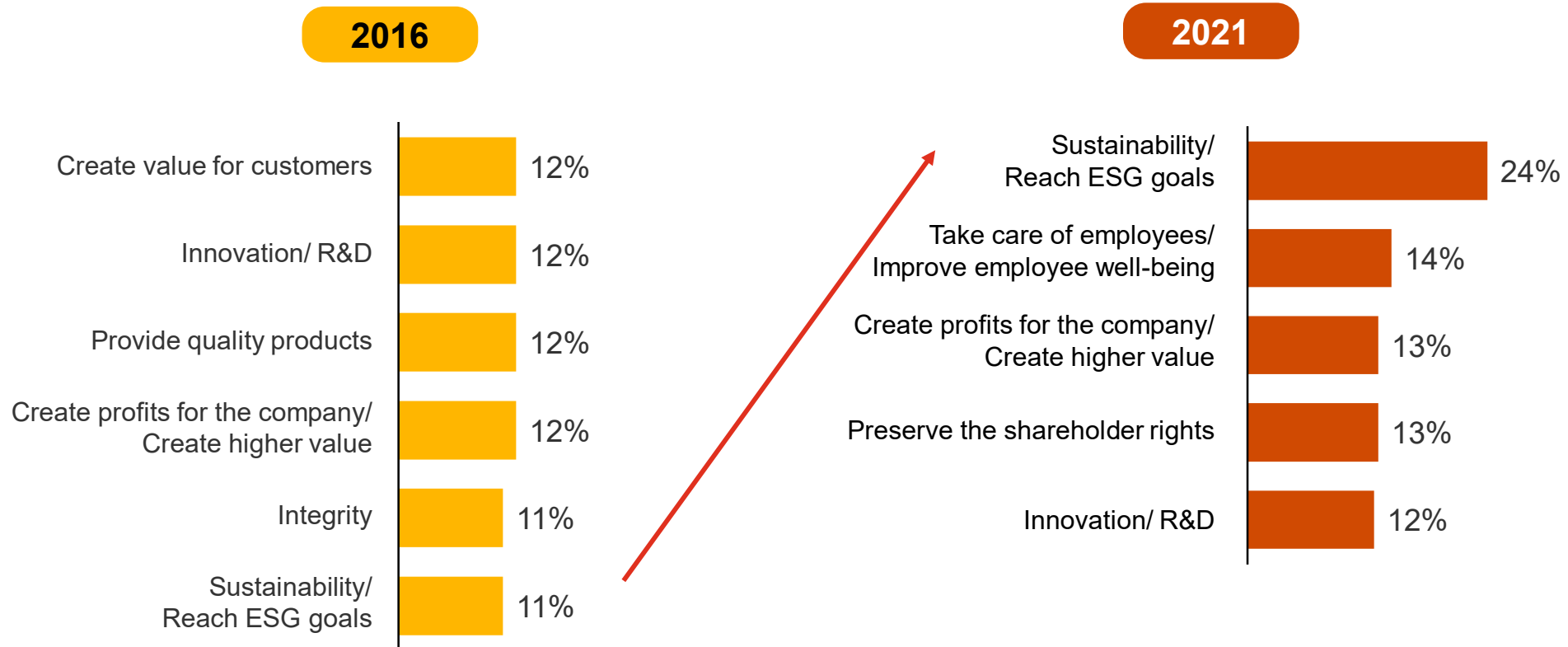
Source | 2021 Taiwan CEO Survey

Base | 234

PwC Taiwan

Today's Taiwanese CEOs care much more about sustainability and ESG issues than compared with five years ago

What is the purpose of your organisation today?



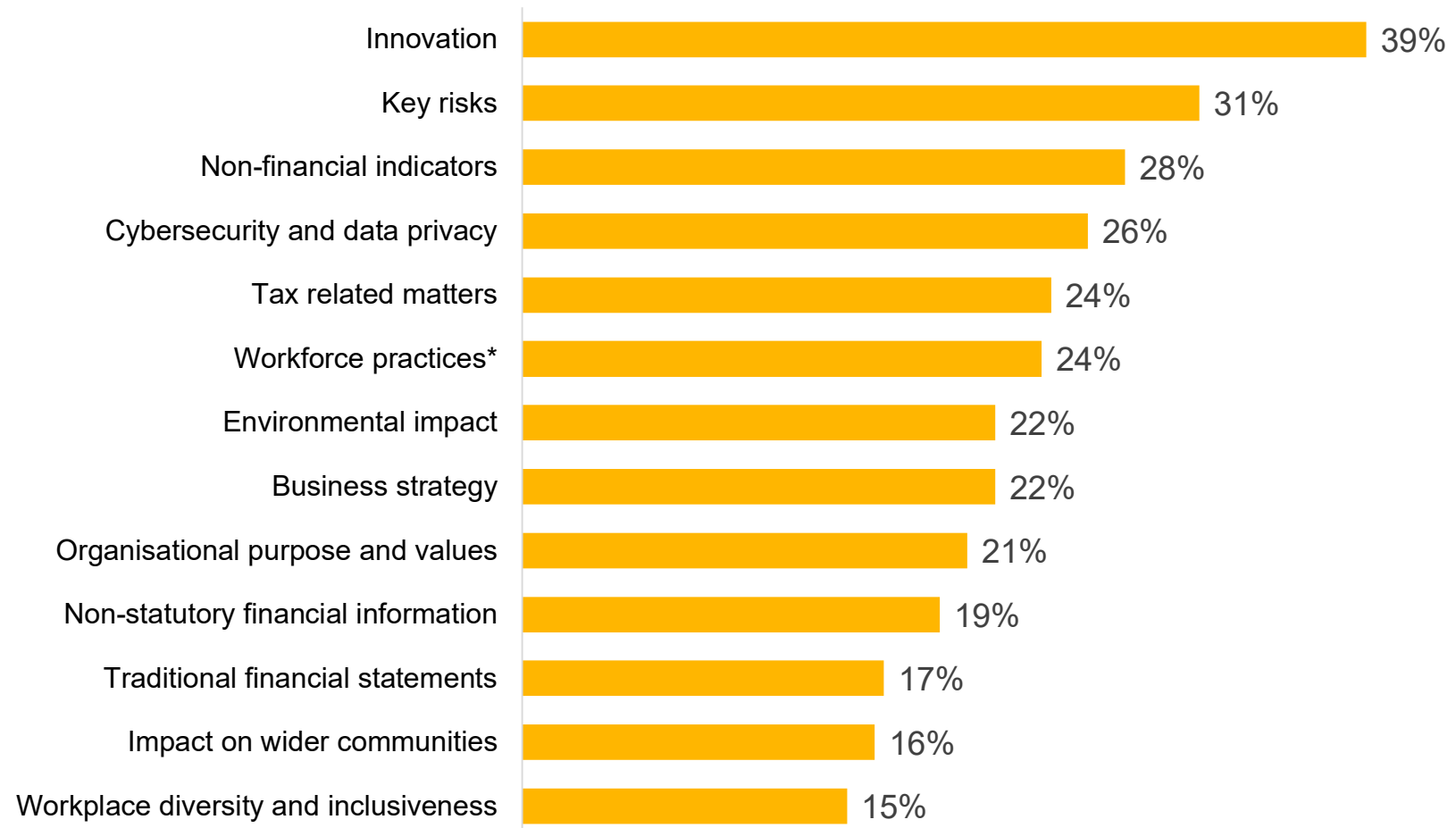
Source | 2016, 2021 Taiwan CEO Survey

Base | 2016=75 ; 2021=234

PwC Taiwan

Taiwanese CEOs believe they should do more to measure non-financial indicators for communications with stakeholders,

In which of the following key areas of impact and value do you believe your organisation should be doing more to “measure”?

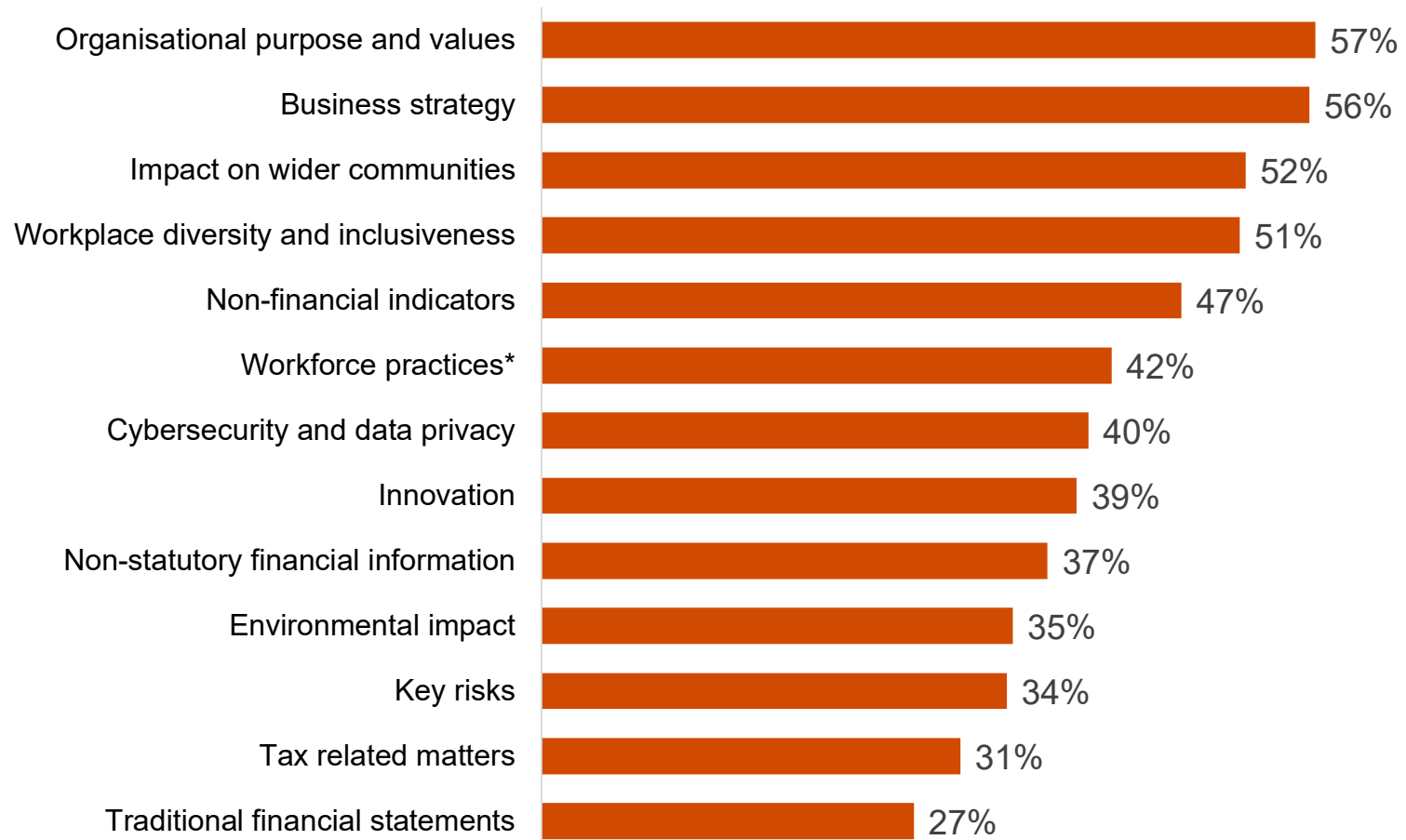


*E.g. Hiring practice, employee salary and benefits, working environment and more

Source | 2021 Taiwan CEO Survey
Base | 234

More than 60% of Taiwanese CEOs believe they should do more to communicate about their organisational purpose and values and business strategy with stakeholders

In which of the following key areas of impact and value do you believe your organisation should be doing more to “report”?



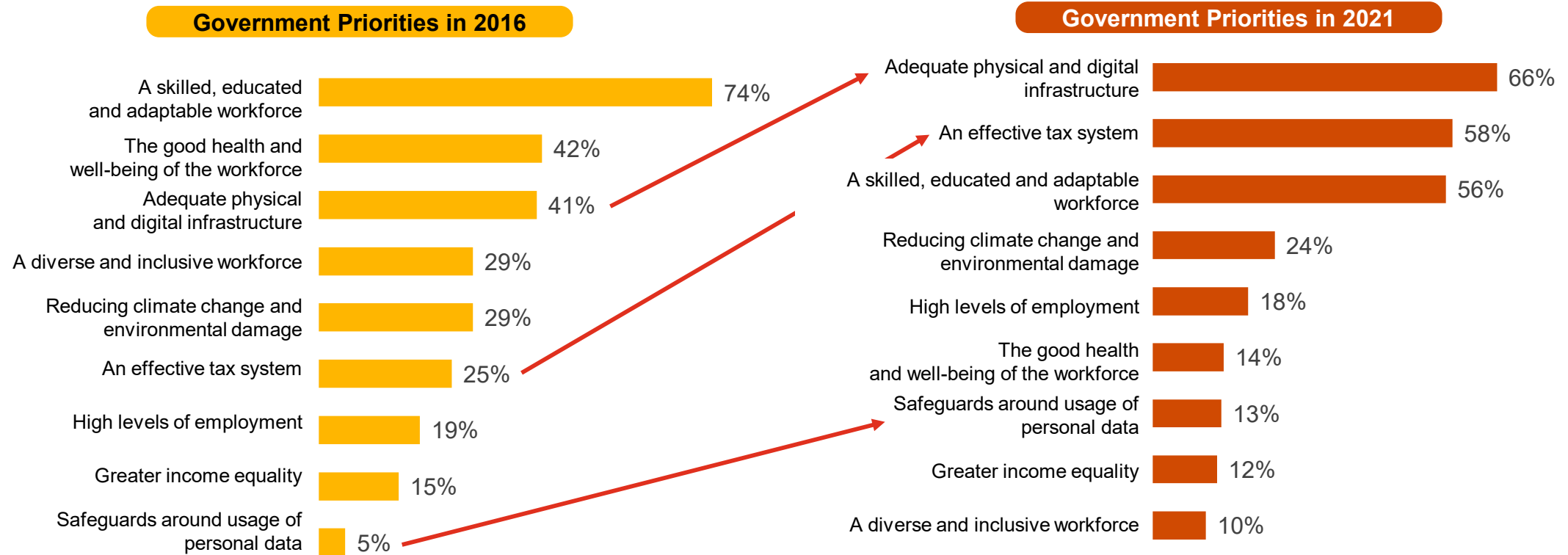
*E.g. Hiring practice, employee salary and benefits, working environment and more

Source | 2021 Taiwan CEO Survey
Base | 234

PwC Taiwan

Today's CEOs in Taiwan believe having adequate physical and digital infrastructure, an effective tax system and safeguards around usage of personal data should be government priorities

What do you think should be government priorities in Taiwan?



Source | 2016, 2021 Taiwan CEO Survey

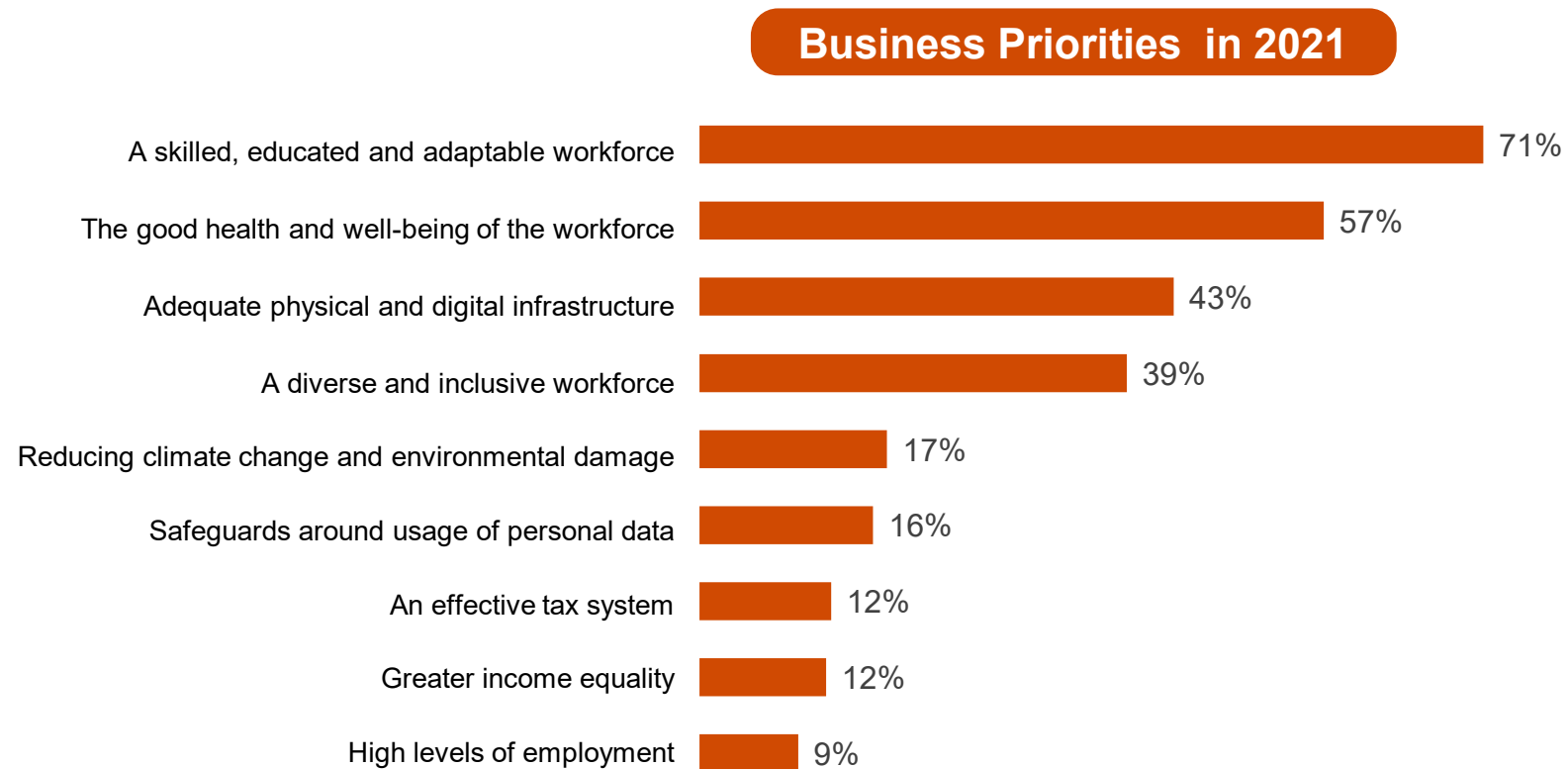
Base | 2016=112; 2021=234

PwC Taiwan

Taiwanese CEOs believe the priorities for businesses should be to develop a skilled, educated and adaptable workforce and to do more to ensure the good health and well-being of their employees

Which three of these outcomes do you think should be priorities for businesses in Taiwan?

* New question



Source | 2021 Taiwan CEO Survey

Base | 234

PwC Taiwan

Thank you

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