

PwC APEC CEO Survey press conference

Lima, Peru – 17th November 2016



Outlook for business growth

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About the Survey

*The voice of 1,154 business leaders.
Every APEC economy is represented*

*The 21 APEC economies generate 54% of
world GDP, 44% trade and are home to
41% of people*

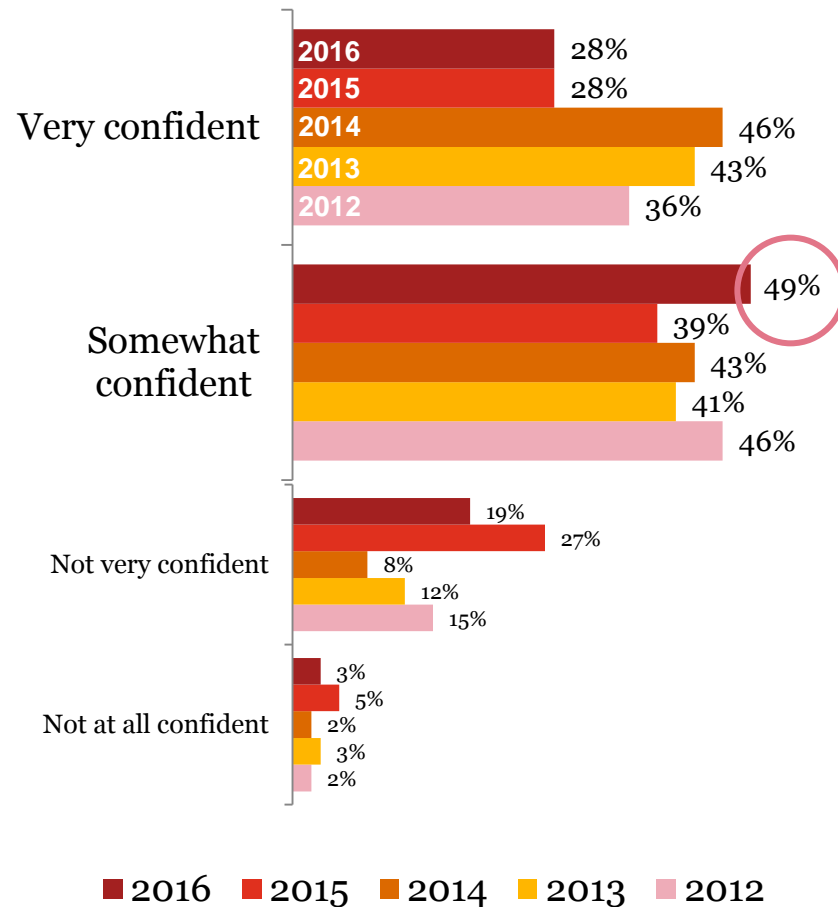
*55% respondents in organisations with
more than \$1bln in revenues*

*PwC, in its role as Knowledge Partner to
the APEC CEO Summit has produced
seven APEC CEO surveys*

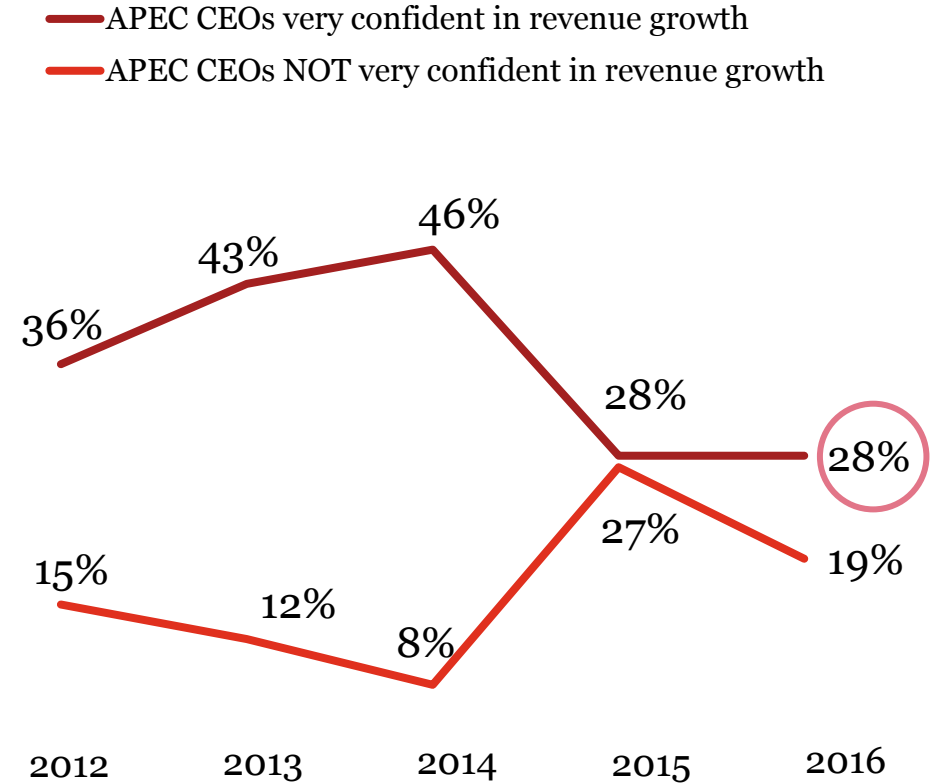


CEO confidence in revenue growth prospects continues to be fragile...

Some improvement overall



But no change in key measure of CEO optimism



Two areas where CEO confidence is notably flagging: Generating returns on innovation and overseas operations

Where conditions are about the same as last year



What's become more challenging

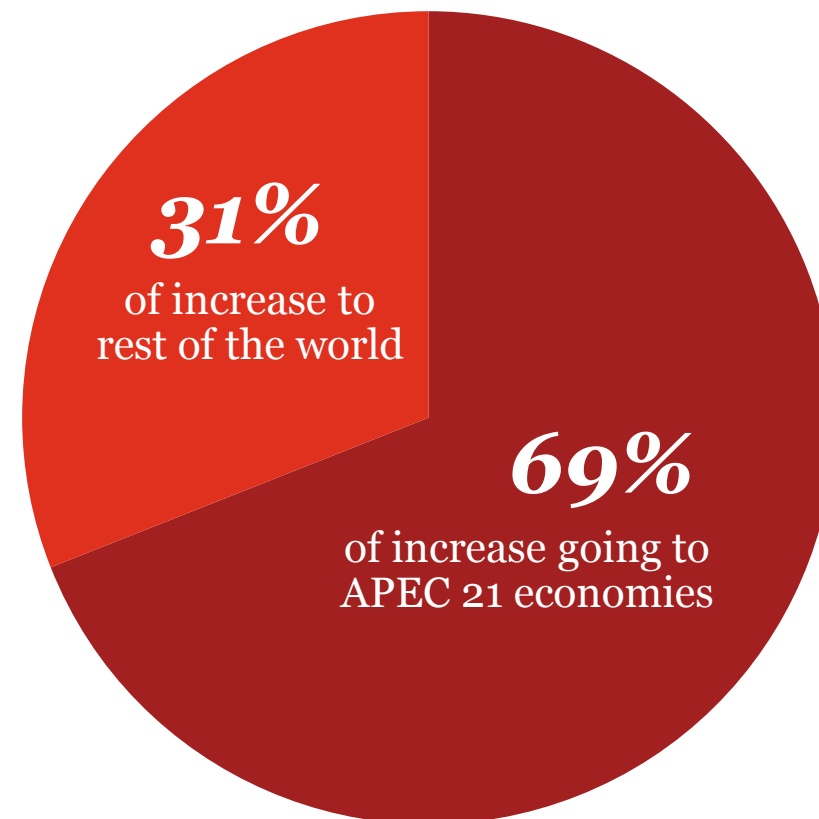
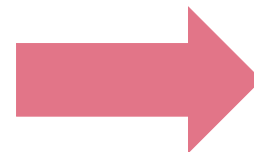
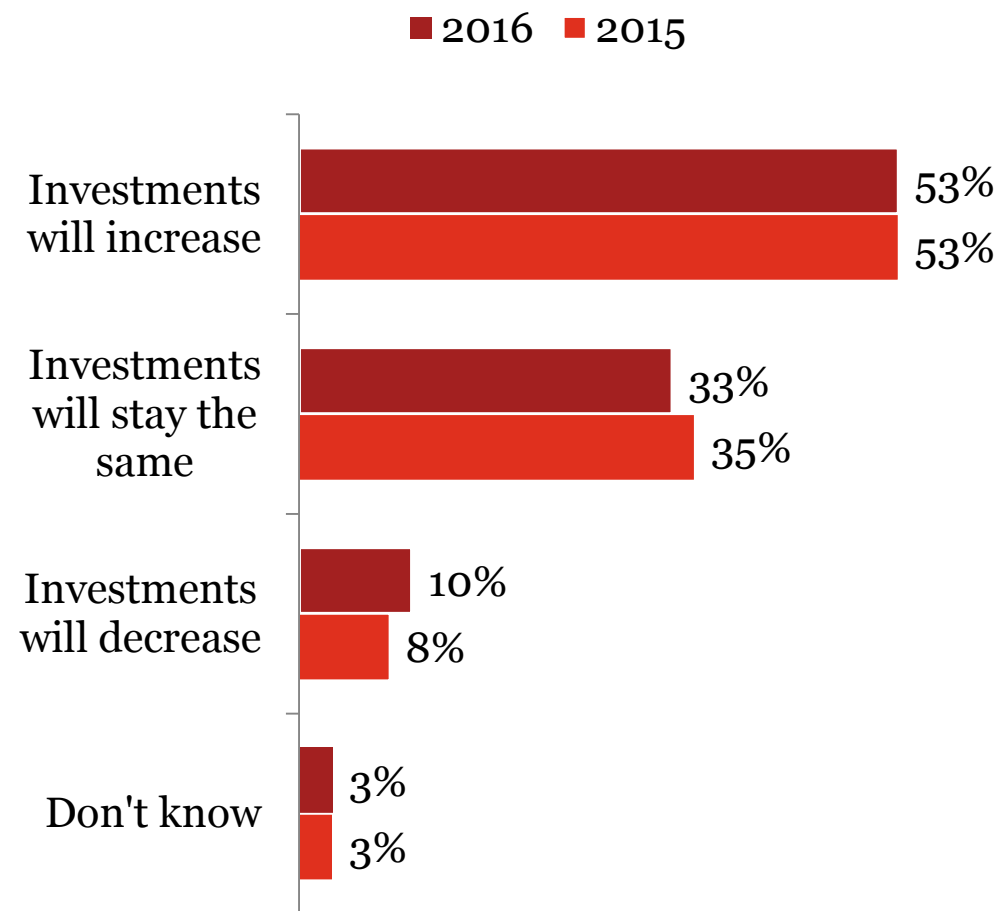


Growth drivers

- **Regional investment, 2016-2017**
- **Strategies in China**
- **Importance of regulatory conditions**

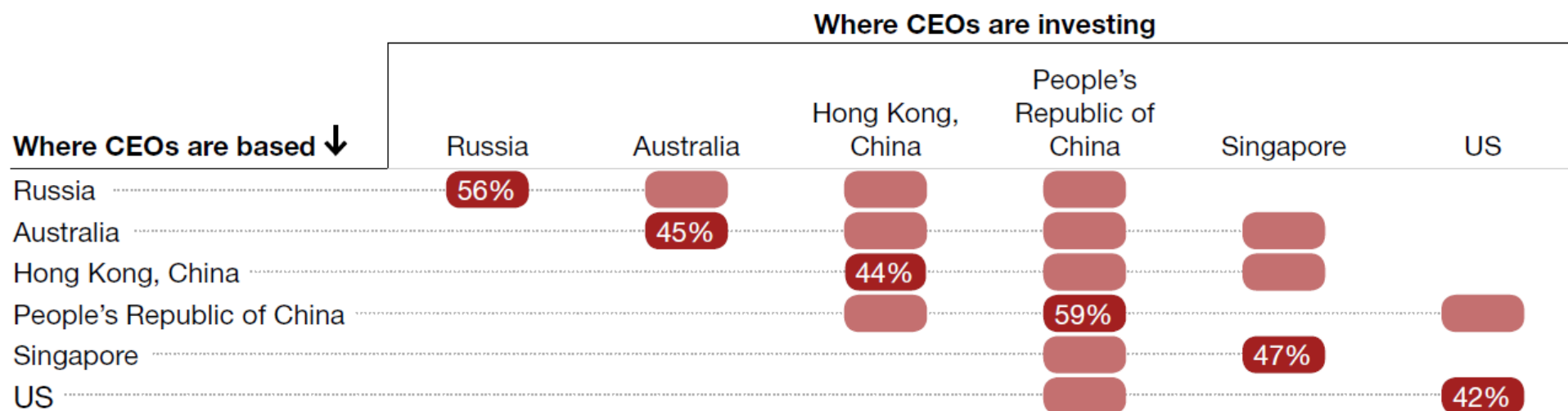
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53% APEC CEOs plan on ‘increasing investments’ over the next 12 months



Most APEC CEOs plan to raise investment at home, but diversification is also apparent for 2016-2017

China, US remain top destinations for more APEC CEOs increasing investment

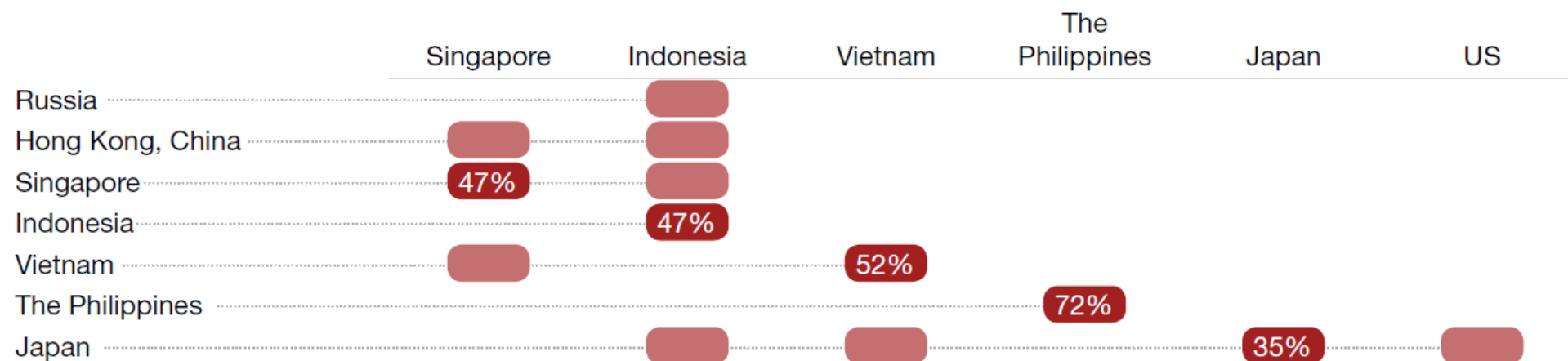


■ % of CEOs surveyed who will increase investment in own economy

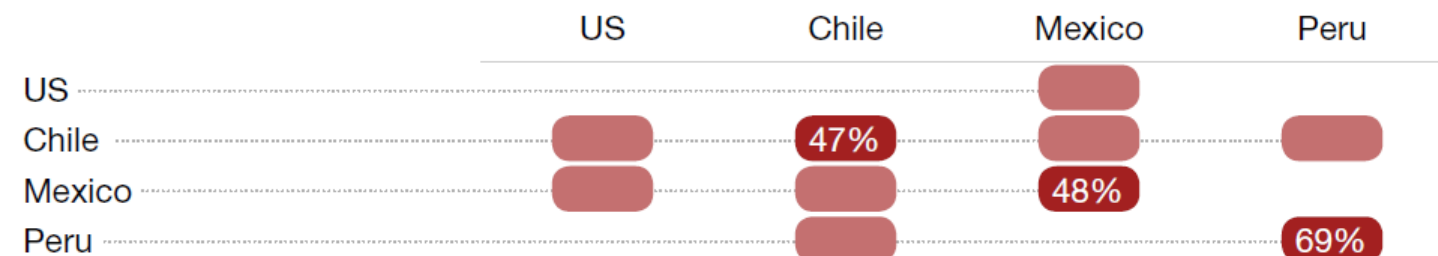
■ Select APEC destinations drawing investment increases from at least 20% of origin CEOs

Most APEC CEOs plan to raise investment at home, but diversification is also apparent for 2016-2017

ASEAN is next to attract fresh investment from more APEC CEOs

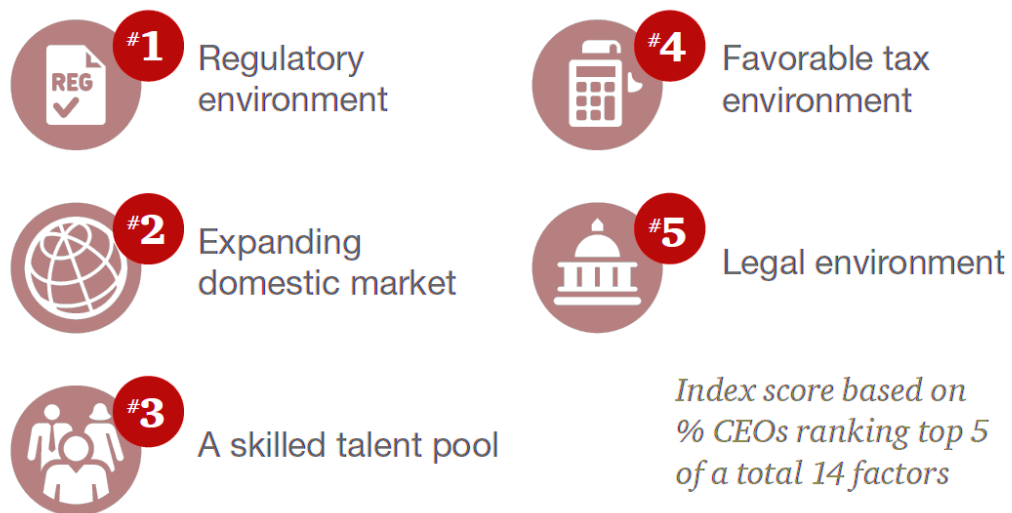


In the Americas, Pacific Alliance cross-investment flows are taking shape

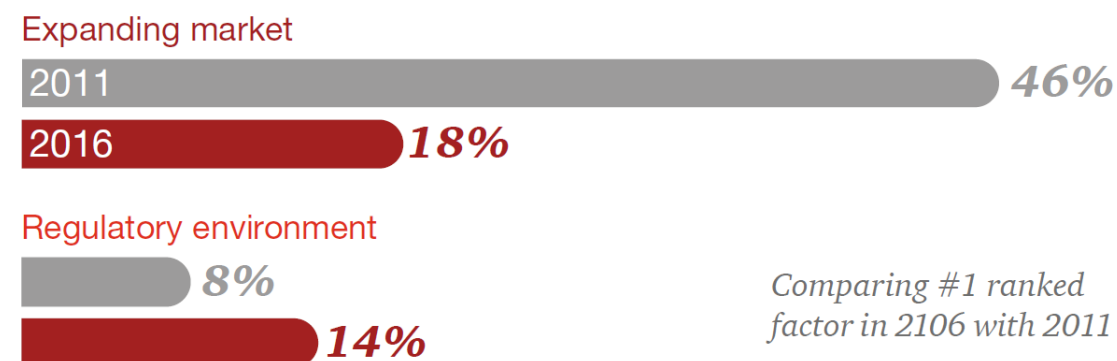


Looking to attract cross-border investors? Work on your economy's regulatory conditions

Factors that matter most to CEOs investing across APEC borders today



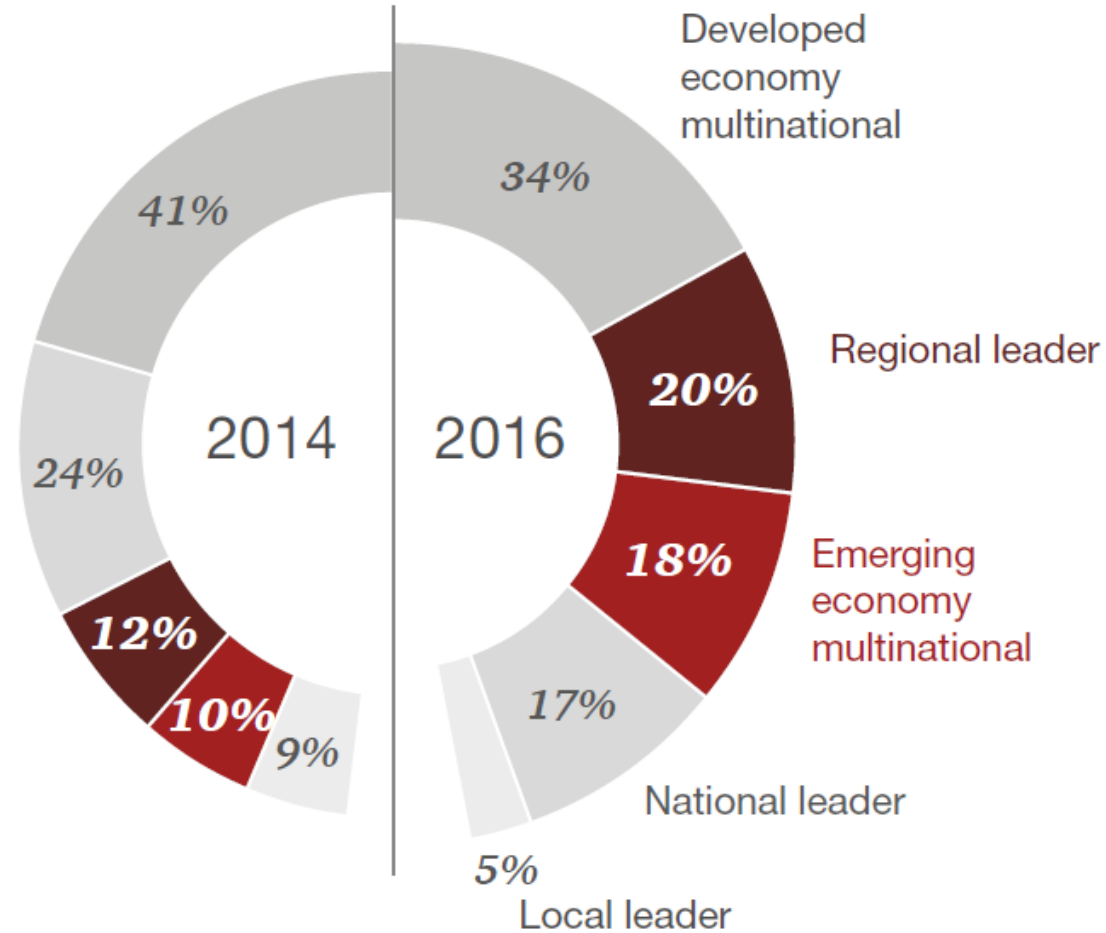
In 2011, dynamic markets were enough for more APEC CEOs to unleash investment



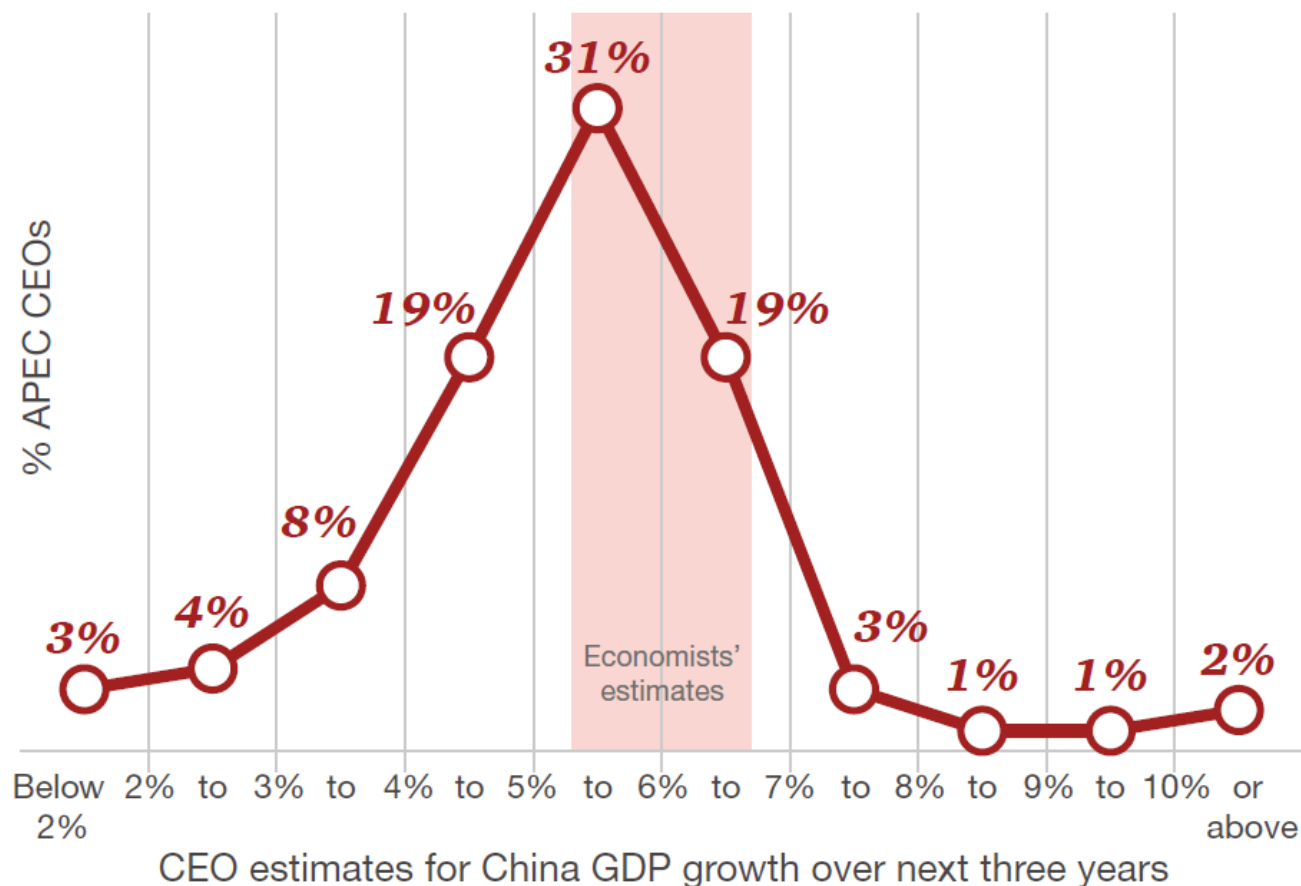
Comparing #1 ranked factor in 2106 with 2011

The new competitors to watch

Comparing CEO views on their leading rival today
with 2014



APEC CEO outlooks for China's GDP growth over next three years vary widely



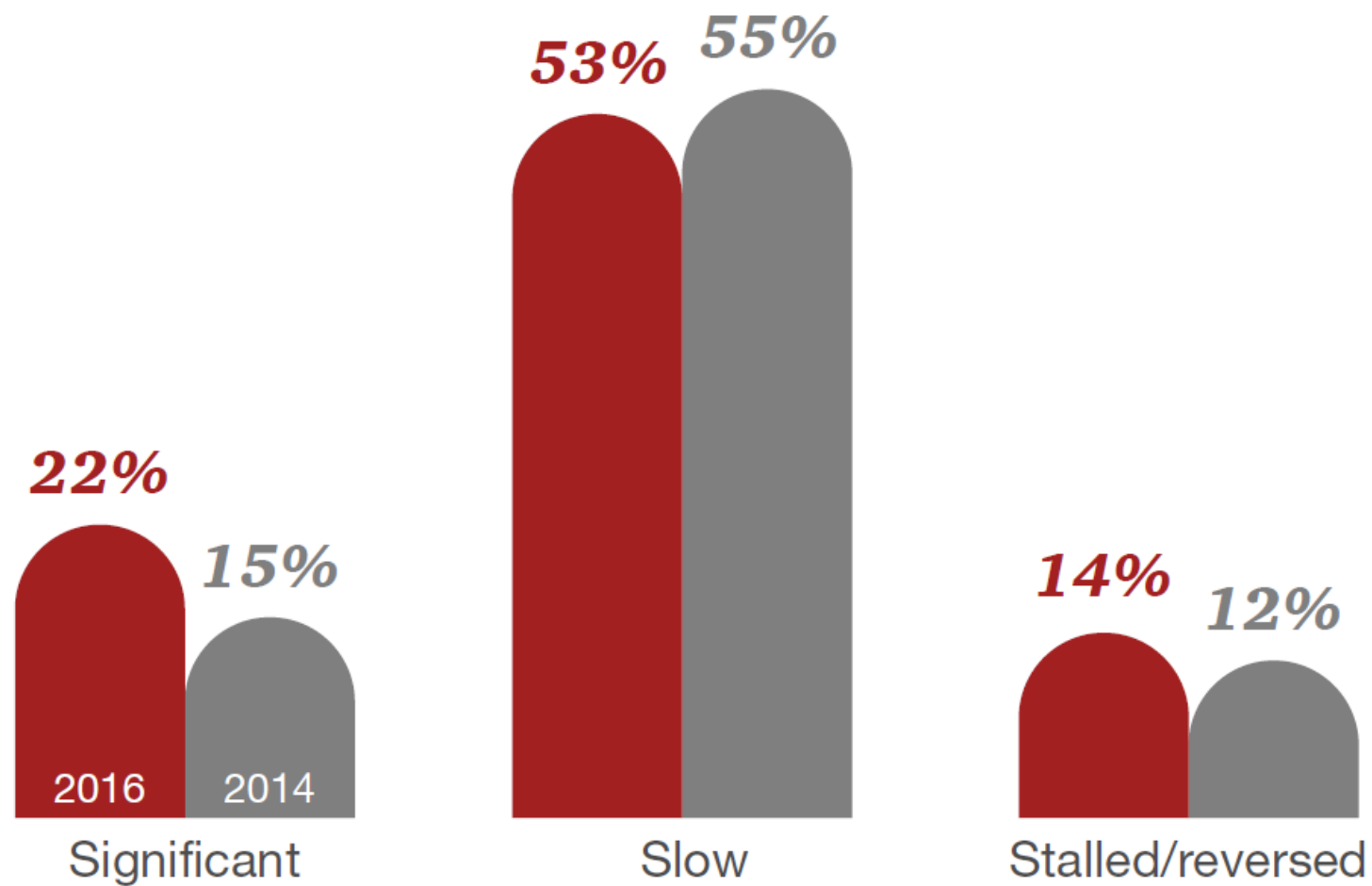
Business leaders in China, both domestic and foreign, are gravitating toward three strategies to adapt to new market realities.

#1 Increase collaboration with partners (48%)

#2 Focus on building brand (42%)

#3 Expand geographically within China (41%)

Some APEC CEOs note gains in 2016, yet most say progress in Asia-Pacific free trade is slow

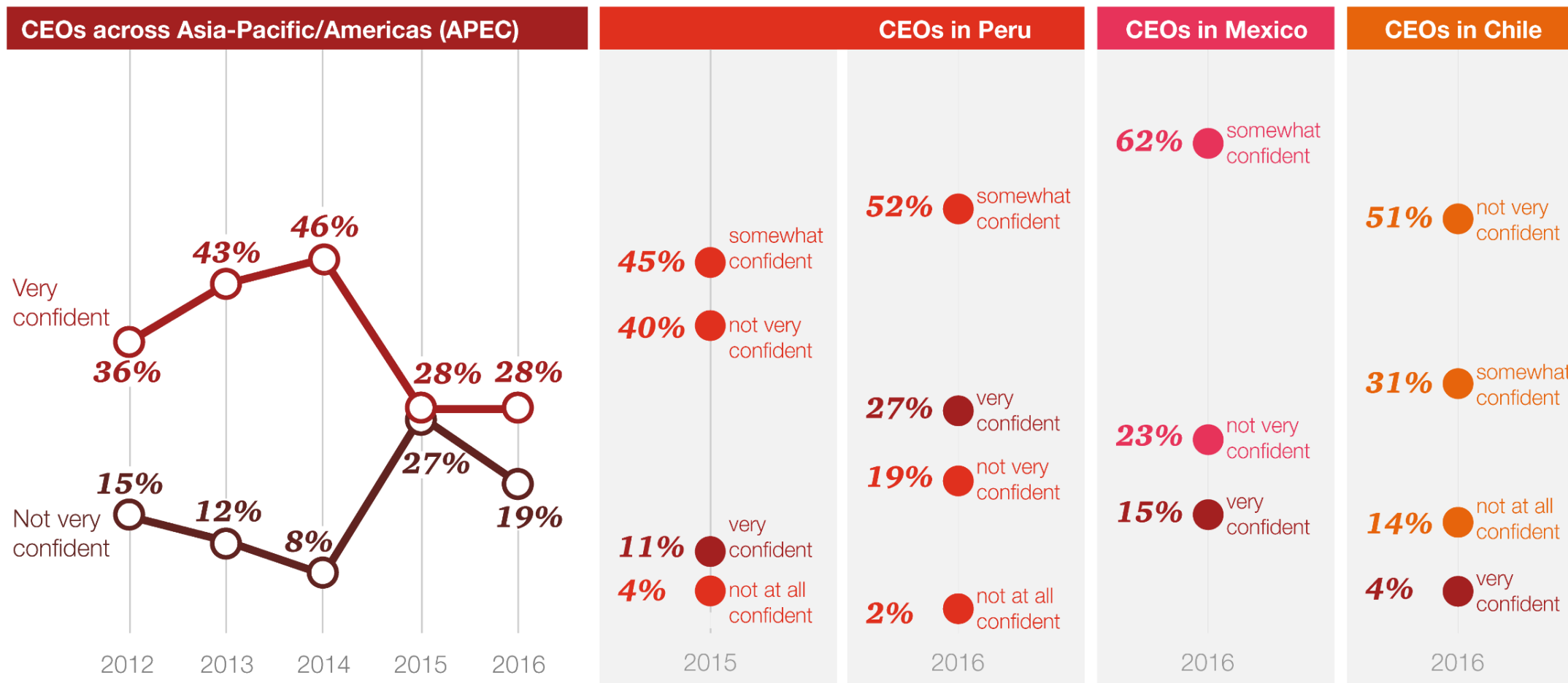


About Peru & the Pacific Alliance

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CEO Confidence in Peru, Mexico and Chile

Prospects for revenue growth in 2016-17



What's changed with CEO confidence in Peru?

CEOs 'more confident' about these, compared to last year



Securing talent and skills needed to perform globally



Increasing profit margins in domestic operations



CEOs 'less confident' about these, compared to last year



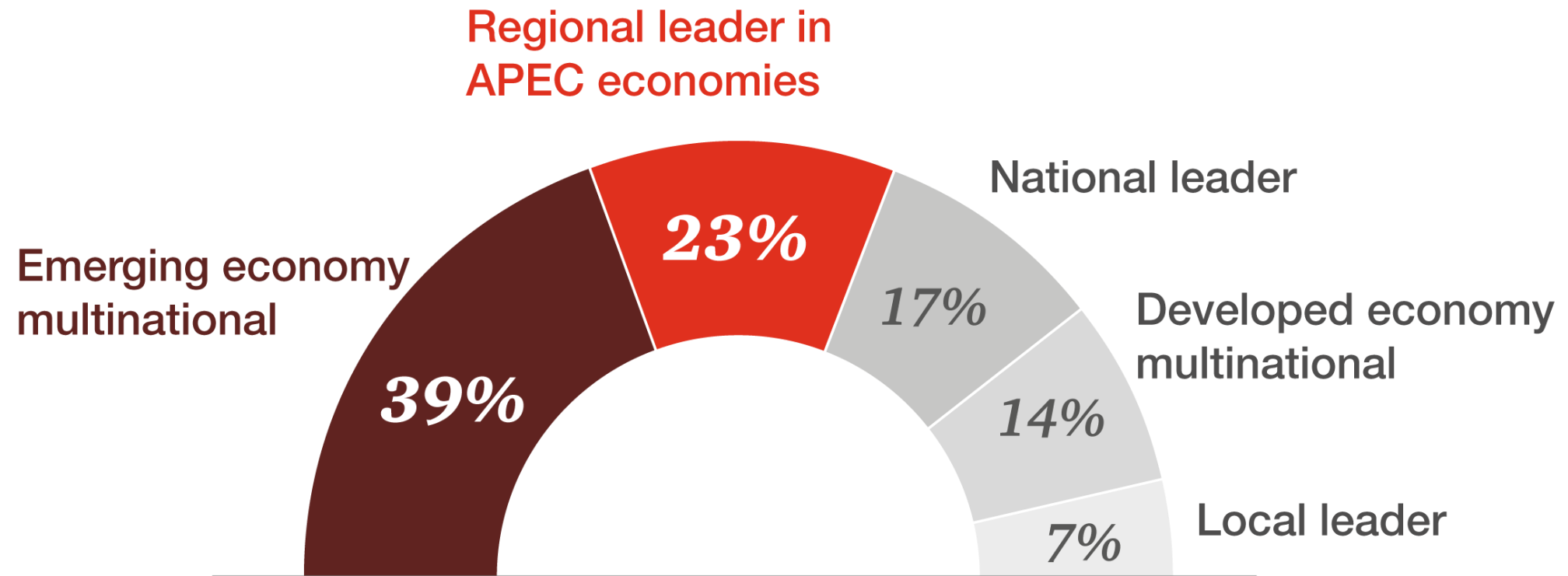
Launching a new product or service or entering a new line of business



Increasing profit margins in international operations



Regional capabilities are becoming the benchmark for Peruvian APEC CEOs



Top 5 factors for CEOs investing across APEC economies

Pacific Alliance/Peru CEOs

Regulatory environment
(transparent rules, lack
of corruption)

Favorable tax
environment

**Lower geopolitical and
macro risk profile**

**Advanced basic
infrastructure,
e.g. transportation
and communications**

Legal environment (land rights
and contracts protection)

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scores

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APEC CEOs

Regulatory environment
(transparent rules, lack
of corruption)

**Expanding domestic
market**

A skilled talent pool

Legal environment (land rights
and contracts protection)

Favorable tax
environment

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