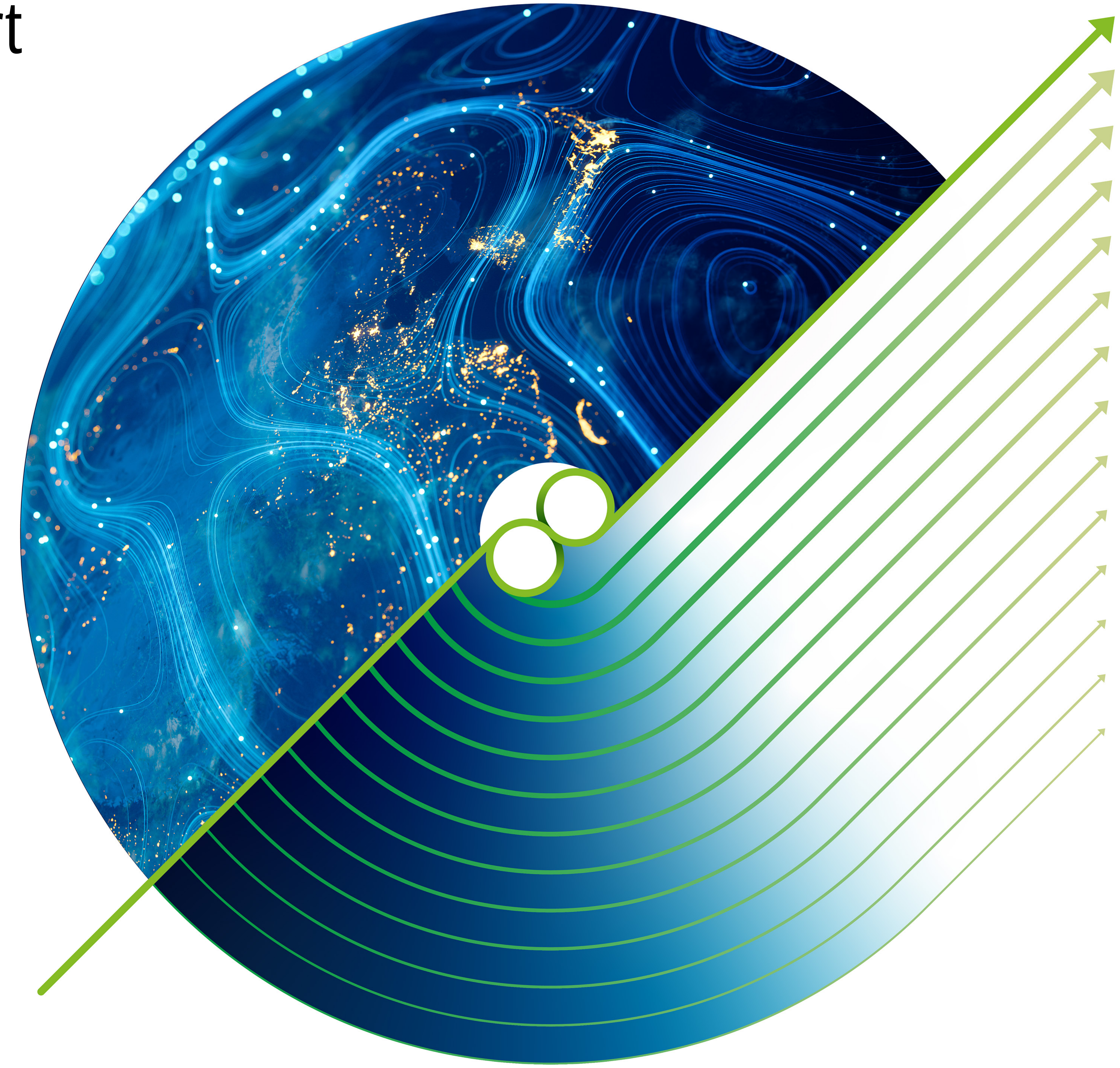
Bridging the Certainty Gap

Deloitte APEC CEO Survey 2025

Northeast Asia report



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Together makes progress

Executive summary

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APEC CEO survey highlights

The shift is real

Geopolitics, inflation and cyber threats are the top disruption risks facing leaders in the next year.

60% of companies have live AI implementations in two or more business functions.

Transformation is no longer finite, it's a continuum. CEOs need to be real-time strategists leading continual reinvention.

Expansive resilience

More than half of CEOs are maintaining investment levels.

More than half of leaders are expanding and diversifying supply chains.

The top investment priority for operational resilience now and in the next three years is AI and automation.

Resilience isn't about bracing for impact—it's about advancing with intent. For CEOs, expansive resilience is a platform for growth.

Appetite for bold moves

In three years, the number one growth driver shifts from technology application today to new products and innovation.

Companies planning growth through M&A will almost double to 59% in the next three years.

In three years, 37% expect the majority of their sales from the APEC region—up from 19% today.

In an environment with no low-risk options, standing still can be the riskiest option of all.

Bridging the certainty gap

Seven in ten CEOs are optimistic for their own company's prospects.

Yet fewer—45% of leaders—are optimistic for the global economy

What may distinguish leaders is not just agility but character—the future belongs to visionary realists who can turn disruption into opportunity.

Northeast Asia Executive summary

While cautious about the economic outlook, half of Northeast Asian CEOs expect more than half of their sales will come from the APEC region in the next three years.

The dualistic worldview of many Northeast Asia (NEA)[1] CEOs sees them balancing confidence near to home with caution about the broader world. Around seven in ten are optimistic about their company and industry performance; this drops to six in ten in the APEC economy, but less than half in the global outlook.

With geopolitical instability seen as the biggest potential disruptor to growth, multilateral agreements are favoured as a stabilising force in NEA. The second biggest growth disruptor, inflation, is anticipated to be overtaken by both sustainability matters and cyber risk. Technology application will be equalled by innovation as a key growth driver in the next three years.

Three quarters of CEOs expect to increase sustainability investment, double the number in the last year. Half the region's leaders expect to expand or diversify their sourcing in the coming year, with supply chain resilience remaining a key investment priority.

Automation and digitisation dominate NEA's current and future investment strategies. AI deployment, strongest in marketing, R&D, and IT, is expected to ramp up in new product development in the three years ahead. Regional integration will increase, with half NEA's leaders expecting the majority of their global sales to be APEC-sourced in the next three years. Foreign investment will favour the US, Indonesia, and Singapore—and from the other direction, stiff competition in NEA is expected from China, Singapore, and the US.

1. Northeast Asia refers to corporate leaders with businesses headquartered in the Chinese Mainland, Hong Kong SAR, Japan, Republic of Korea and Taiwan (China)

01
02
03

Implications for NEA CEOs

Leaders are 'leaning in' to innovation, expansion and diversification to counter global volatility.

NEA leaders are confident in their companies but cautious about the world. They're technology- and innovation-driven, and signal a pivot toward creating new products, services, and markets. They're seeking to diplomatically mitigate disruptions from geopolitical instability relying on multilateral agreements and supply chain diversification, while hungry to leverage NEA's easier capital access by ramping up M&A activity.

Given the disparity between confidence in local prospects and doubt in the global outlook, NEA leaders can leverage regional growth momentum while building buffers against global volatility, using diversification of markets and scenario planning to protect downside risks. And with leaders expecting greater access to capital and building M&A activity, CEOs could prepare M&A pipelines and cross-border partnerships in targeted growth sectors now.

With innovation becoming a top growth driver within three years, leaders should consider investing now in R&D, new product development, and digital business models, to avoid being overtaken by regional competitors. They can begin by harnessing automation and digitisation to transform their supply chains from bastions of resilience and risk management, into levers for efficiency, speed, and customer trust.

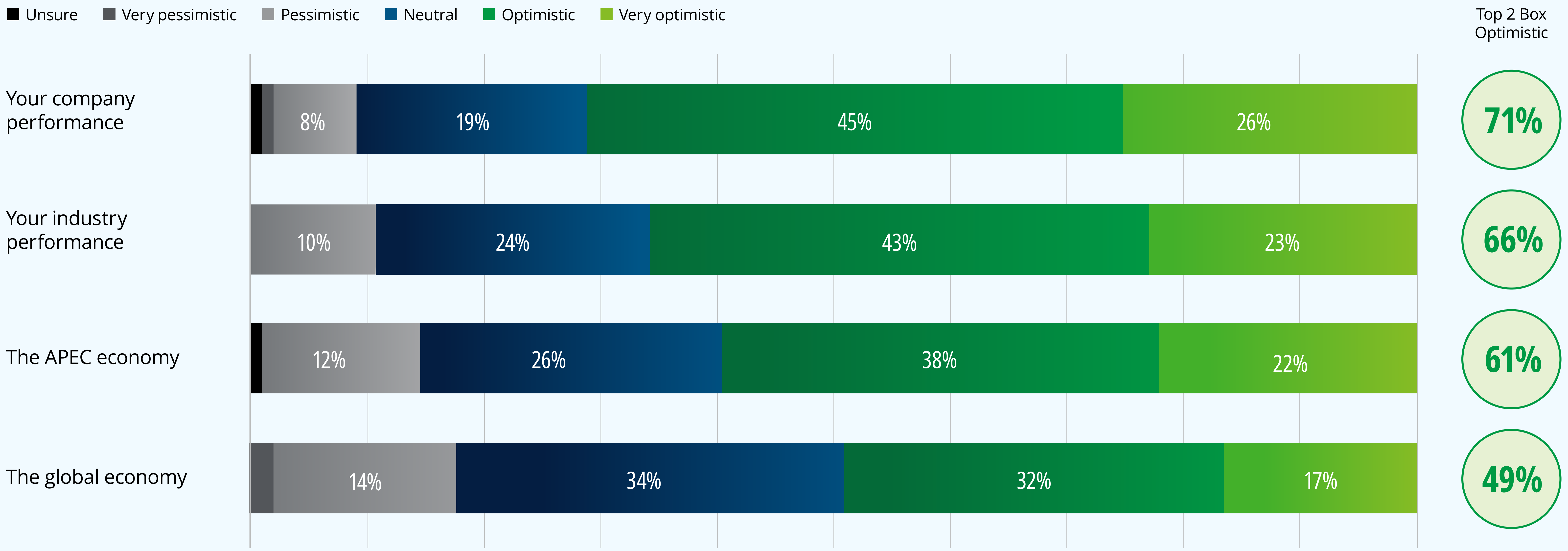
Finally, with geopolitical instability NEA's biggest growth disruptor, CEOs can engage with policy and regional trade frameworks and ensure their companies can operate with agility across borders as rules evolve.

Key findings

NEA corporate leaders' optimism increases as scope narrows: seven in ten are optimistic about their own company, but less than half are optimistic on the global economy.

Leaders in NEA are most optimistic about their company performance followed by their industry and the APEC economy (71%, 66%, 61% respectively). They are least optimistic about the global economy (49%).

Figure 1: *What is your personal outlook toward the following areas over the next 12 months?*

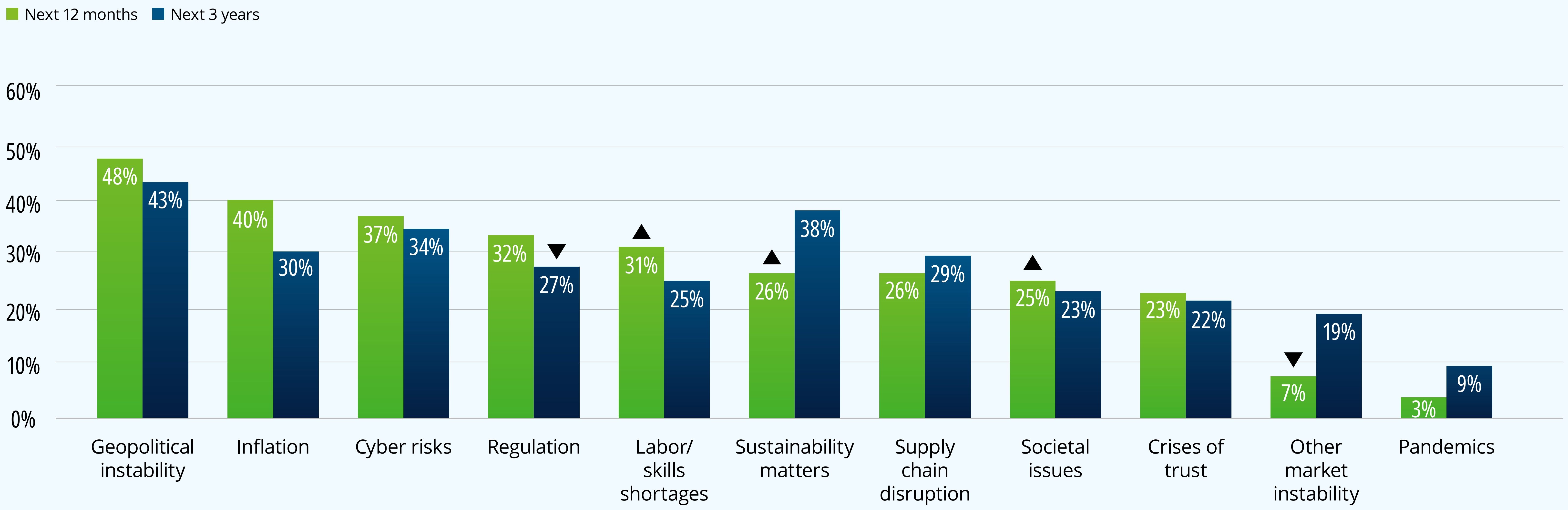


Q_Outlook: Which of the following options best describes your personal outlook toward each of the following areas over the next 12 months? Select one response per row. (n=291) Responses below 4% not shown

Geopolitical instability is the most disruptive concern now and in the coming years.

Though inflation is also seen as a top disruptor, leaders are hopeful it will subside; disruption from sustainability matters is expected to increase significantly within the next three years. Pandemics and other market instability are considered less threatening for now but are seen as a growing risk over the next three years.

Figure 2: *What external matters do you expect to disrupt your business strategy within the next 12 months and next 3 years?*



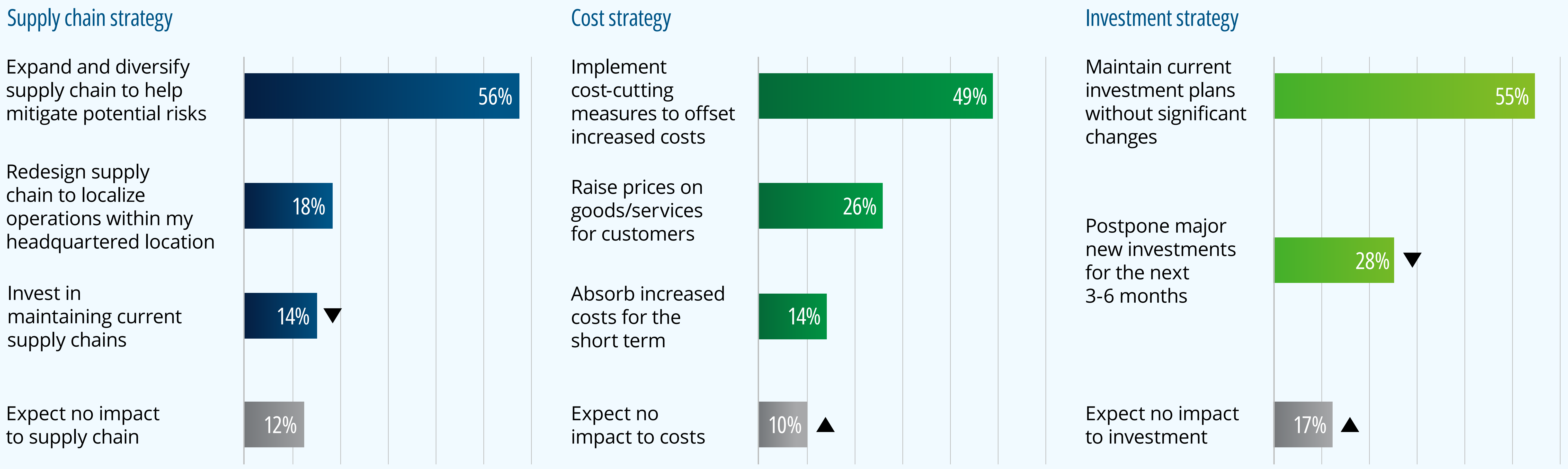
▲▼ Denotes over/under indexes versus APEC average (+5%/-5%)

Q_Disrupt: What external matters do you expect to disrupt your business strategy within the next 12 months and next 3 years? Select your top three. (n=291)

While NEA corporate leaders are likely to plan for expanding and diversifying their supply chains and implementing cost-cutting, they are also more likely to continue current investment plans.

Few are looking to invest in maintaining their supply chains, and fewer expect no impact to their supply chains at all.

Figure 3: *Given current economic and related policy uncertainties what strategies is your organization planning to implement in the next 12 months?*



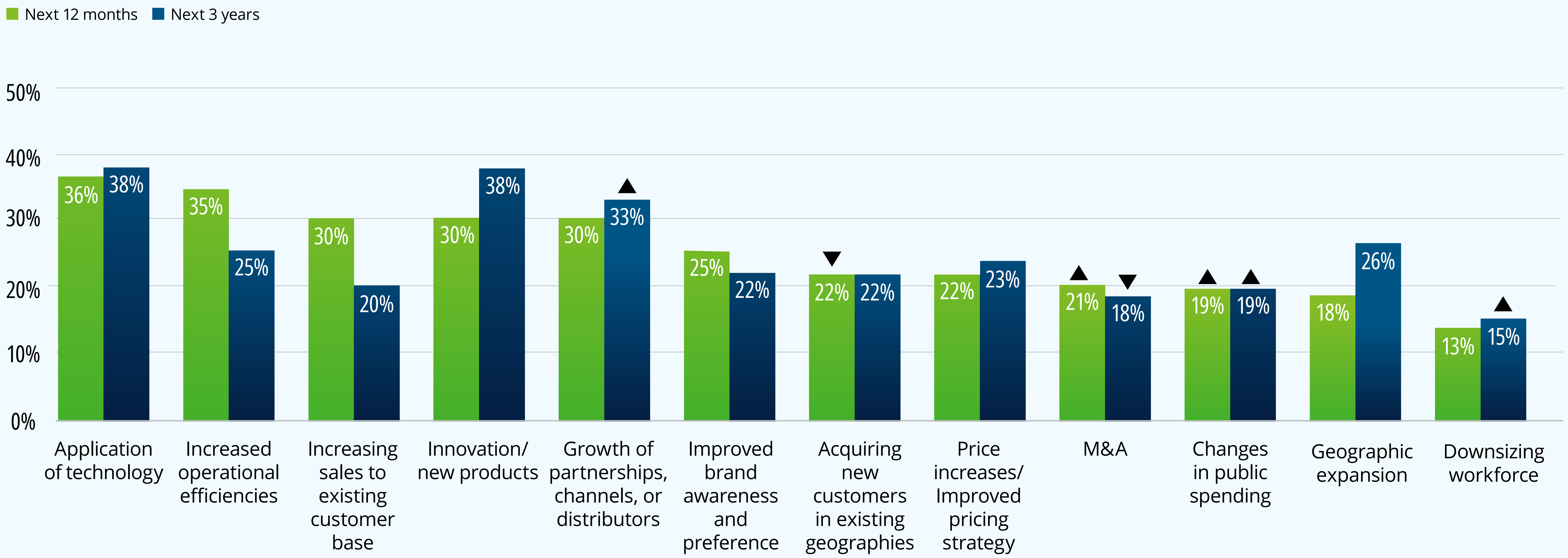
▲▼ Denotes over/under indexes versus APEC average (+5%/-5%)

Q:_Uncertainties: Given current economic and related policy uncertainties what strategies is your organization planning to implement in the next 12 months? Select the best choice in each category. (n=291)

Application of technology is seen as the top growth driver now and over the next three years.

Innovation and new products are expected to become equally as important in the next three years. Increased operational efficiencies and increasing sales to existing customers are top drivers in the near term but are expected to drop significantly in the coming years.

Figure 4: *What do you expect to be most important to your business success over the next 12 months and over the next 3 years?*



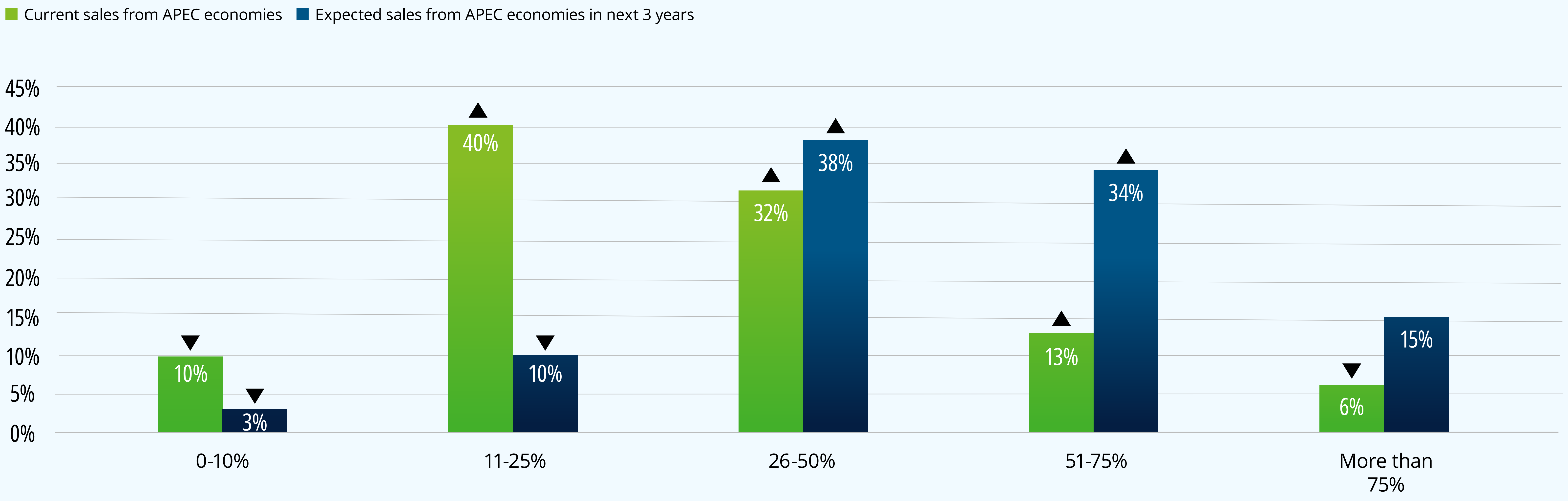
▲▼ Denotes over/under indexes versus APEC average (+5%/-5%)

Q_Growth_driver: What do you expect to be most important to your business success over the next 12 months and over the next 3 years? Please select your top three. (n=291)

NEA corporate leaders expect growing proportions of their sales to come from APEC countries in the next three years.

Forty-nine percent of leaders expect the majority of their sales from the APEC region in the next three years—an increase of 31%.

Figure 5: *Approximately what percentage of your company's current total global sales comes from the APEC economies? What percentage do you expect in 3 years?*



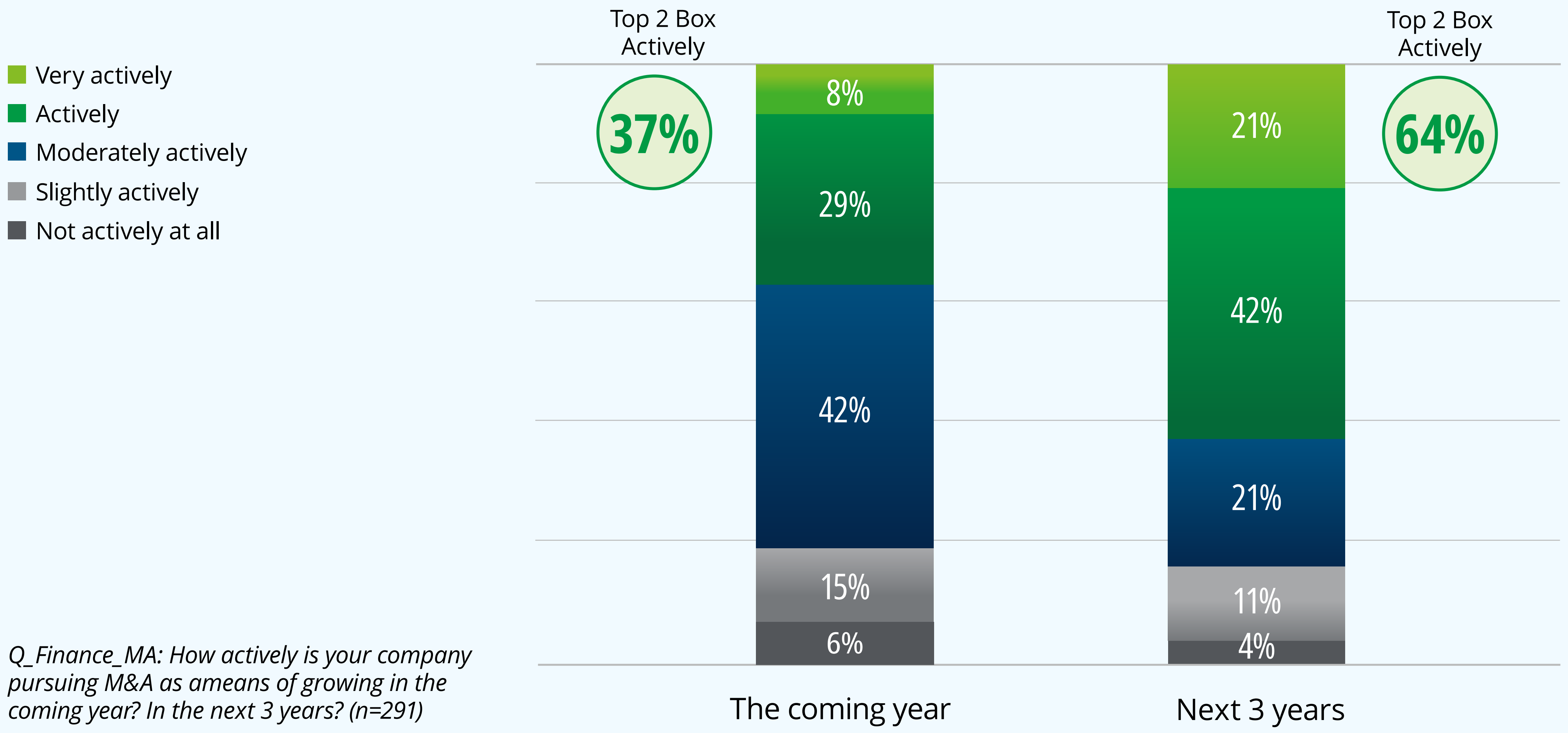
▲▼ Denotes over/under indexes versus APEC average (+5%/-5%)

Q_APEC_integration: Approximately what percentage of your company's current total global sales comes from the APEC economies? What percentage do you expect in 3 years? (n=291)

NEA corporate leaders expect more of their sales to come from the APEC region in the next three years.

M&A is being pursued less actively in the coming year, though most companies are pursuing it on some level.

Figure 6: *How actively is your company pursuing M&A as a means of growing in the coming year? In the next 3 years?*

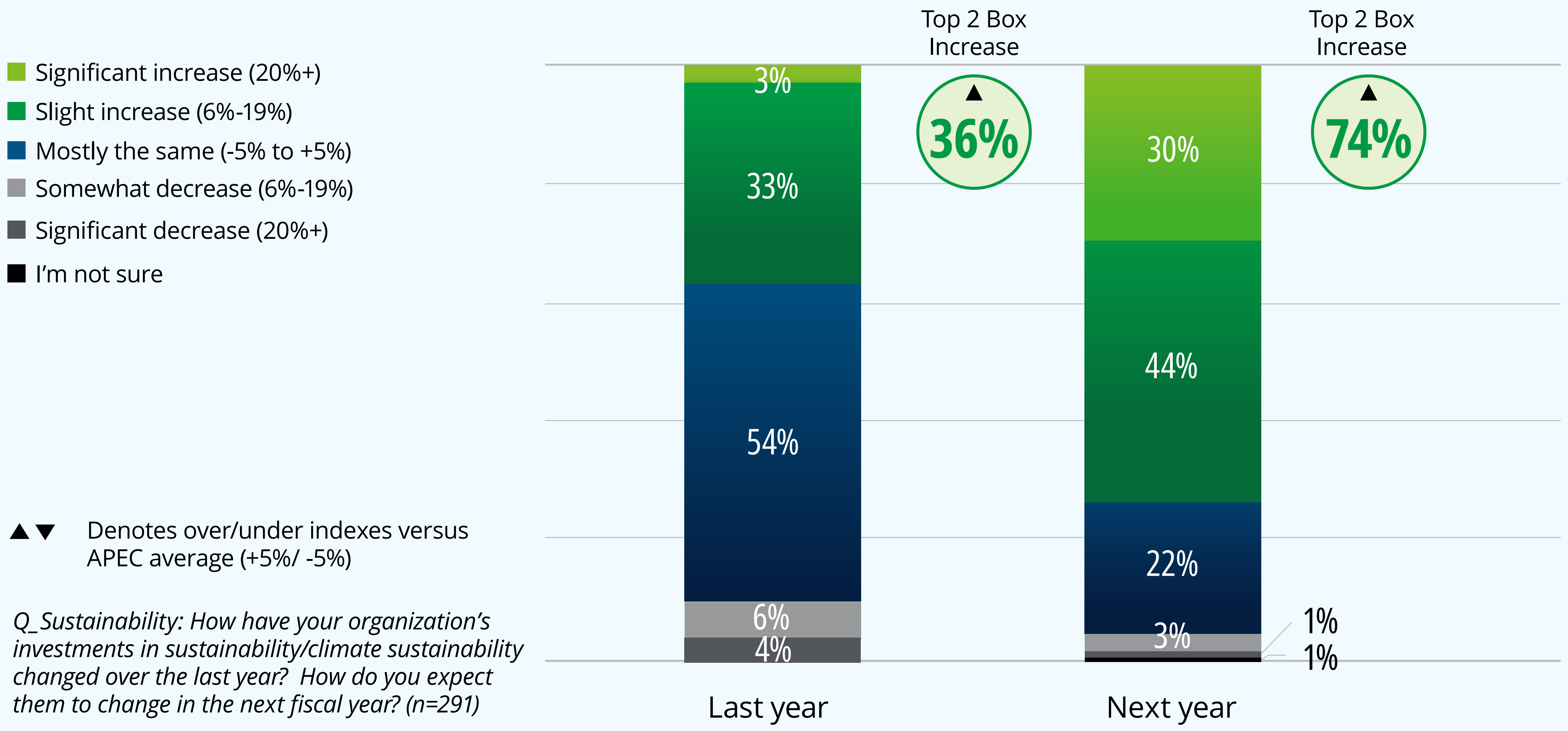


Q_Finance_MA: How actively is your company pursuing M&A as ameans of growing in the coming year? In the next 3 years? (n=291)

Most organizations maintained their level of sustainability investment in the last year.

While 33% of NEA leaders increased sustainability investment last year, 74% expect this to increase in the next year.

Figure 7: *How have your organization's investments in sustainability/climate sustainability changed over the last year? How do you expect them to change in the next fiscal year?*



Q_Sustainability: How have your organization's investments in sustainability/climate sustainability changed over the last year? How do you expect them to change in the next fiscal year? (n=291)

Use of Generative AI is most advanced in marketing, sales and customer service, and product development and R&D functions.

Adoption is fairly consistent overall but is more limited among supply chain, human resources, and finance functions.

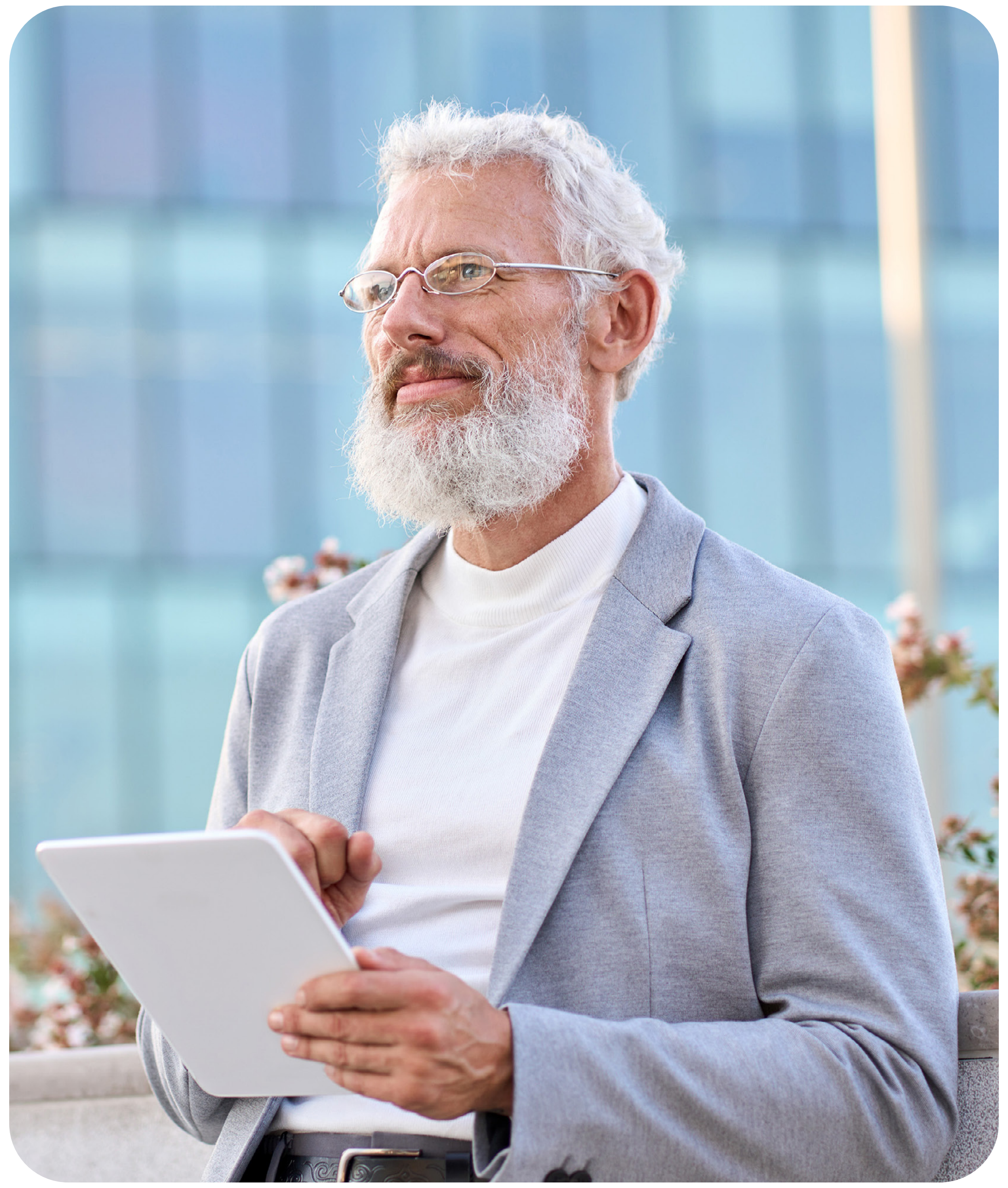
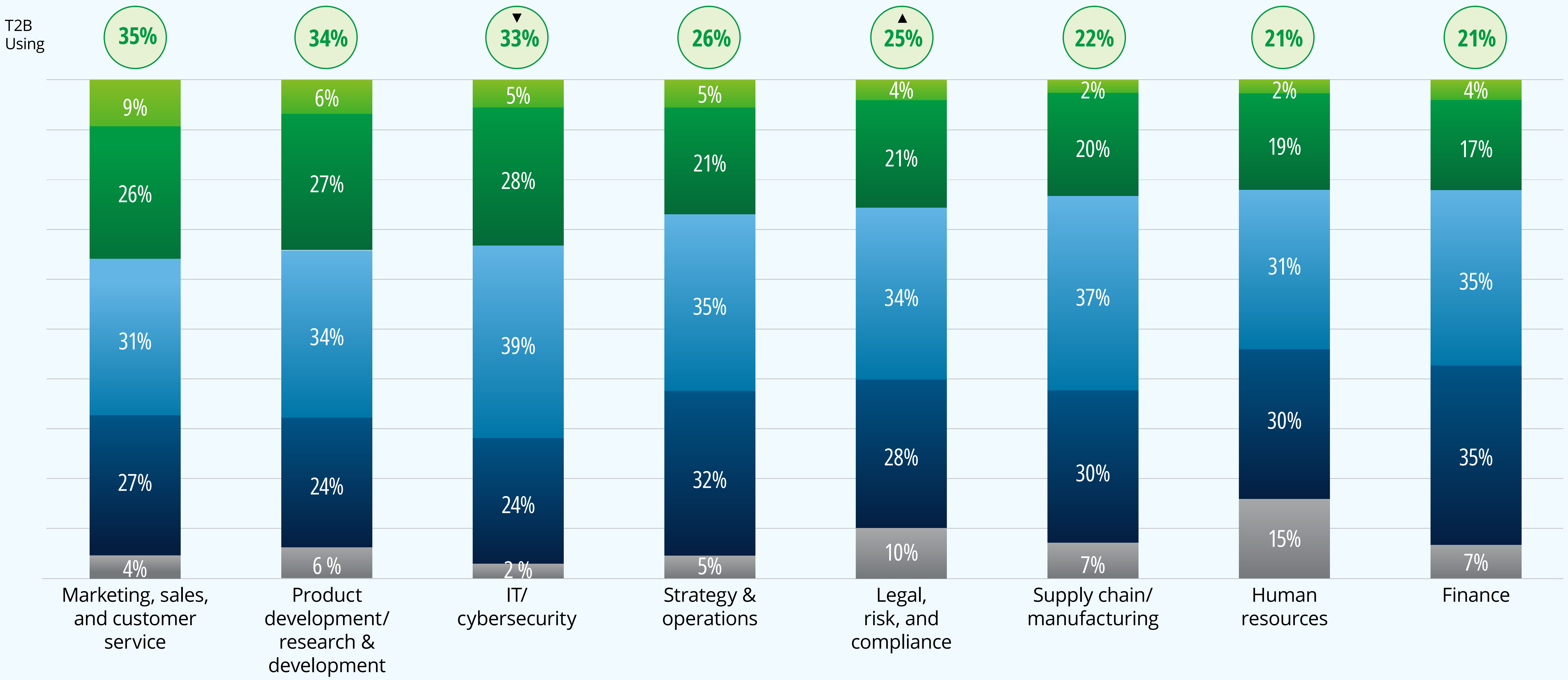


Figure 8: *Which is your organization's current adoption level of Generative AI across the following functions?*

At scale implementation | Limited implementation | Piloting/Experimenting | Evaluating | No plans to implement



▲▼ Denotes over/under indexes versus APEC average (+5%/-5%)

Q_Gen_AI_Deloitte: Which is your organization's current adoption level of Generative AI across the following functions? (n=291)

Objectives & methodology

APEC CEO Survey methodology

Context

The APEC region is one of the most dynamic in the world, and includes both advanced and emerging markets, offering diverse growth opportunities.

Business confidence, growth, and business trends often start first in large companies in APEC countries and then spread more widely throughout the world.

Objectives

Deloitte conducted a study of corporate CEOs and senior executives of eighteen APEC member economies (excluding Russia, Brunei and Papua New Guinea).

The study assesses the issues that matter to CEOs: business confidence and growth expectations, identify challenges and opportunities for regional economies, and evaluate various trends and priorities.

NEA sample profile

Revenue

59%	37%	4%
$1B+	$100M<$1B	$5M<$100M

Ownership structure

60%	40%
For profit, privately held	For profit, publicly held

Employee count

44%	55%	2%
5,000+	100–4,999	10–99

Title

43%
CEO or CEO-equivalent*

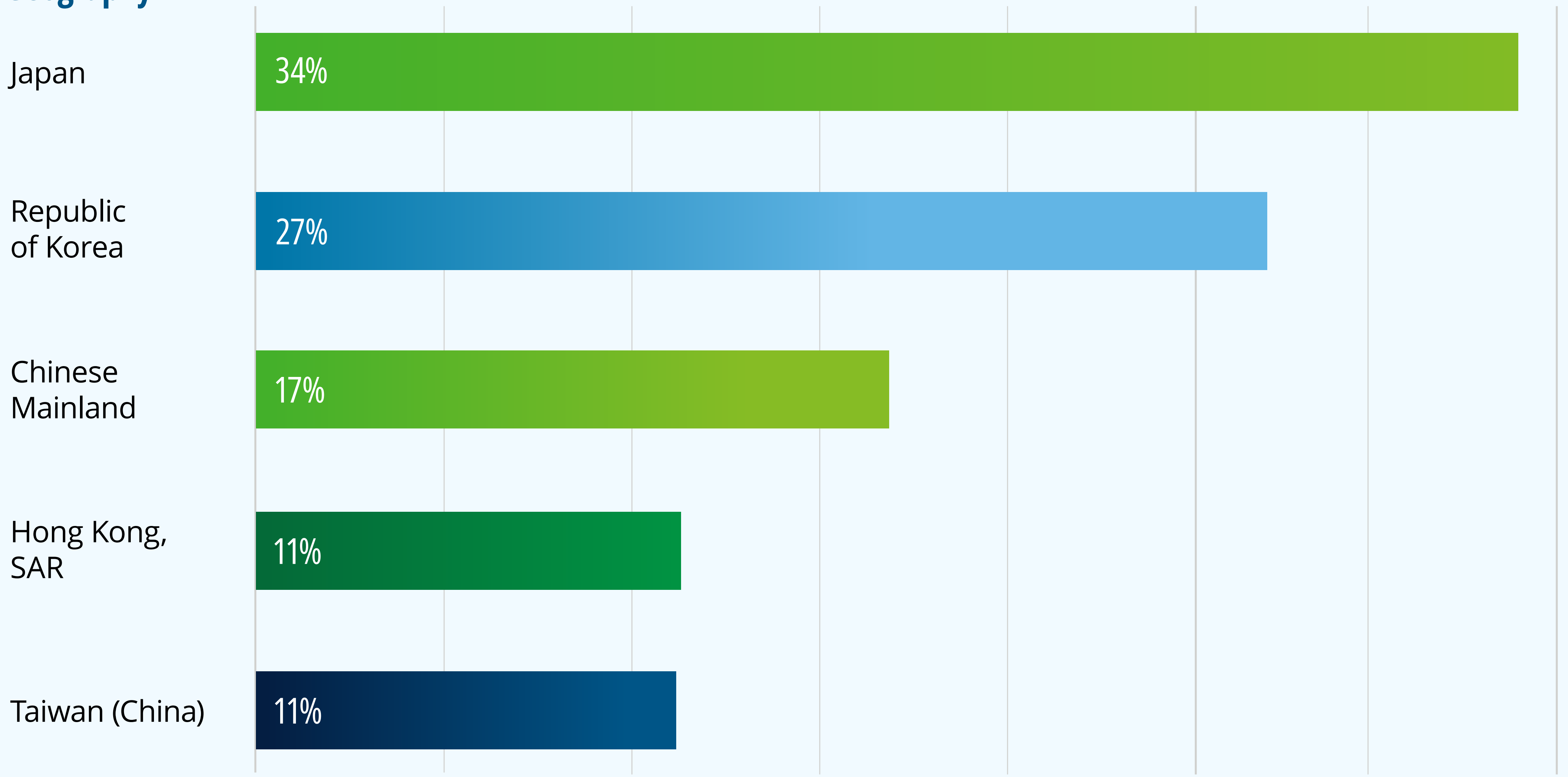
30%
Other C-suite executive

8%
Executive/Senior Vice President

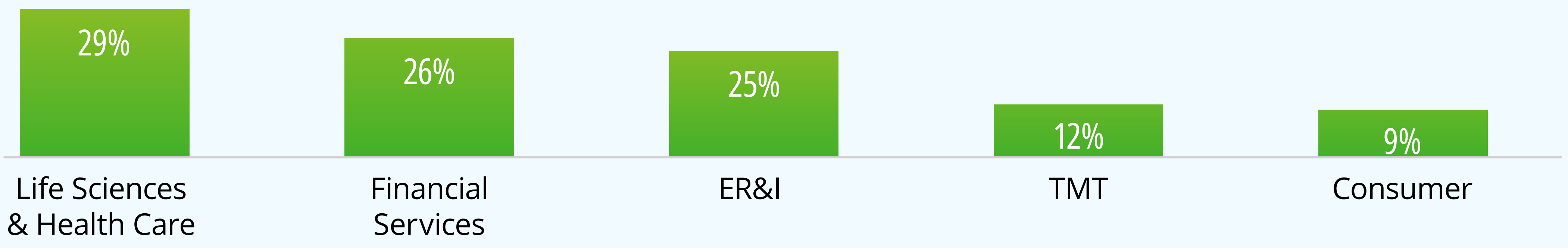
22%
Vice President

1%
Managing Director

Geography



Industry



**Note: CEO-equivalent in NEA includes CEOs, Presidents, C-suites in a General Management role, and Managing Directors in Financial Services firms; sum may not equal 100% due to double counting*

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