



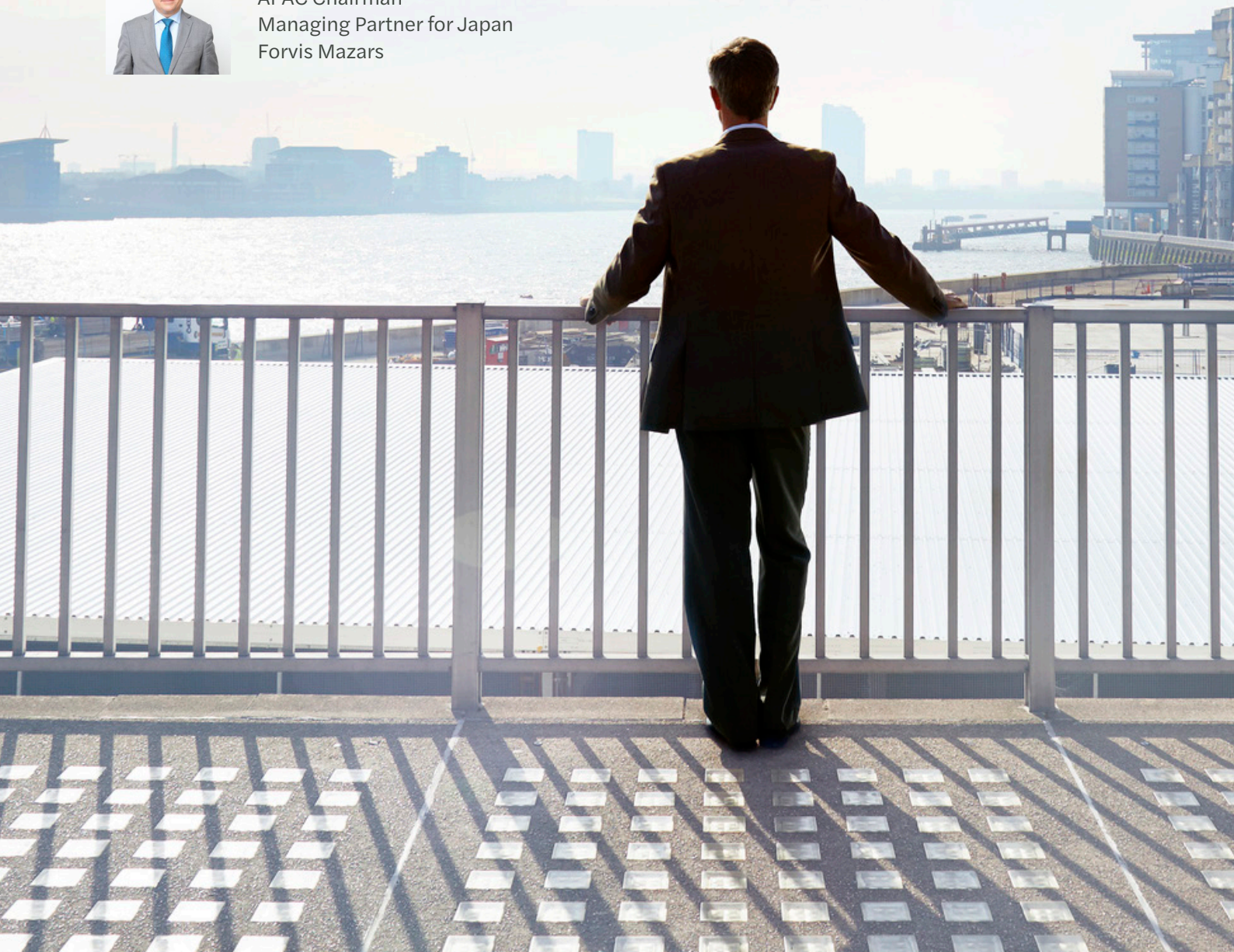
Asia Pacific C-suite barometer: Outlook 2025

forv/s
mazars

“Companies need to expand regionally more than ever, yet they are becoming increasingly cautious. We have seen across APAC markets that the most successful companies are carefully mixing technology innovation with smart risk management.”



Jean-Francois Salzmann
APAC Chairman
Managing Partner for Japan
Forvis Mazars



Contents

- 04** Foreword
- 06** Cautious optimism defines outlook
- 07** Bracing for economic headwind
- 08** Topping the C-suite agenda
- 09** The AI race
- 11** Targeting overseas markets
- 12** Competition for talent heats up
- 13** ESG reporting loses steam
- 14** Methodology

Foreword

The world economy in 2025 presents C-suite leaders with a decisive moment to scale up and get ahead of intensifying global competition. Business leaders are strategically positioning themselves for future growth, while economic uncertainty and a tense geopolitical landscape continue to put pressure on business operations and leadership confidence.

Across Asia Pacific (APAC), businesses need to adapt and stay resilient in increasingly complicated times. While the immediate shocks of post-pandemic disruptions have subsided, enterprises are still dealing with ongoing challenges, including sustained inflationary pressures, swiftly shifting regulatory environments, and technological disruption.

At the same time, US-China technology trade tensions continue to shake up Asian supply chains and are forcing companies in the region to rethink their digital transformation strategies. However, this has spurred innovation in some markets. In China, DeepSeek released its own open-source artificial intelligence (AI) large language model (LLM) in February 2025, marking a significant milestone in the country's AI development capabilities amid ongoing global technology restrictions.

Business leaders across APAC remain optimistic about growth in 2025, but their outlook isn't quite as bullish as it was in 2024. Several factors are behind the more cautious outlook: large economies such as Indonesia, which were once hailed as regional growth drivers, are now cooling off; China's bounce-back is taking longer than expected; and uncertainty around U.S. tariffs is clouding the outlook. Compared to executives in other regions, APAC business leaders are notably more reserved in their outlook. This caution is showing up in how they approach growth plans and investment choices.

The Forvis Mazars C-suite Barometer serves as an important tool to understand these shifting business dynamics. The comprehensive survey captures C-suite executives' perspectives on critical business challenges, strategic priorities, and growth opportunities. The insights provided help

organisations benchmark their strategies against peer responses, understand emerging trends, and make informed decisions about their growth trajectories in an increasingly competitive landscape. Between 28 September and 23 October 2024, we surveyed and interviewed 1,706 C-suite executives globally, with 171 respondents from the APAC region.

Our findings show several key trends. While C-suite leaders haven't lost their optimism about growth, they are keeping a close eye on rising competition and geopolitical tensions that could hold them back. Technology remains their go-to strategy for staying competitive, while expanding internationally and attracting top talent are still crucial moves. These elements are viewed as essential for redefining organisations, creating opportunities to unlock growth, and competing for market share.

On the digital front, C-suite leaders are still firmly focused on the transformative opportunities that technology can bring to their businesses. Transforming IT systems emerges as their top-most priority, and they are especially watching how emerging technologies could reshape their organisations. When it comes to investing in AI, companies are now using AI more to optimise their internal operations rather than develop external-facing products and services.

International expansion is top-of-mind among business leaders as a means to grow and spread risks. Roughly three-quarters of them plan to expand across borders in the next five years. They are mainly eyeing the US, Germany, the UK, China and Canada for expansion. With that said, C-suite executives with ambitions to expand internationally need to navigate complex regulatory compliance frameworks, build

Foreword (Cont'd)

local talent pools, and adapt products and services to meet market-specific demands.

But the bottom line is still about people. Business leaders understand that whether they are rolling out new technology or expanding globally, success boils down to finding and retaining the right people with the right skills. Many companies are struggling to do this, even as the exact nature of the challenge is shifting. Finding senior executives was the main challenge in 2024, but respondents this year say it has become harder to fill entry-level and middle-management positions.

At Forvis Mazars, we help businesses identify market opportunities and achieve their strategic goals in this shifting landscape. Our comprehensive audit and advisory teams bring deep industry knowledge and innovative solutions to the table, helping clients tackle their toughest challenges.

In today's highly volatile environment, our clients need to balance further investment with agility. They particularly value our outsourcing services, which allow them to focus on their core operations while maintaining variable costs and limiting exposure. Rising complexity in tax regulations and the return of a tariff war demand flexible, pragmatic tax advice, especially for transfer pricing.

As an independent firm, we are committed to excellence and constantly building our expertise – all to help organisations create sustainable, long-term value for everyone with a stake in their success.

“In 2025, businesses need to balance growth with stability. While technology and global markets offer opportunities, success comes down to how well companies adapt to uncertainty and competition.”



Chris Fuggle

Partner – Group Head of Advisory
Forvis Mazars

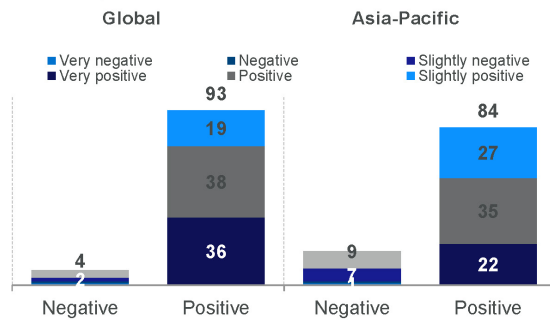
Cautious optimism defines outlook

Business leaders in APAC are cautiously optimistic about 2025, but they are decidedly not as bullish as their global counterparts.

Business confidence in APAC is strong, with 84% of leaders expecting growth in 2025, but that is significantly lower last year and 9% lower than the overall global outlook. The number of Asian leaders with a negative outlook on growth has nearly doubled from 2024, rising to 9% of respondents.

Next year's growth outlook

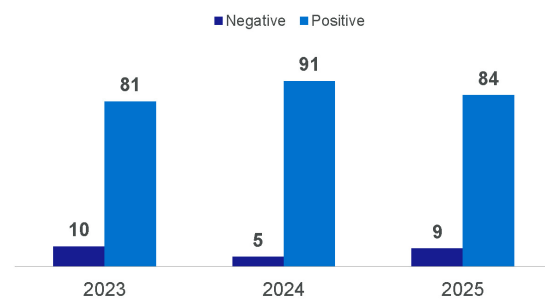
Percent of respondents



Question: How do you assess your company's outlook for growth in 2025?

Tracking: next year's growth outlook

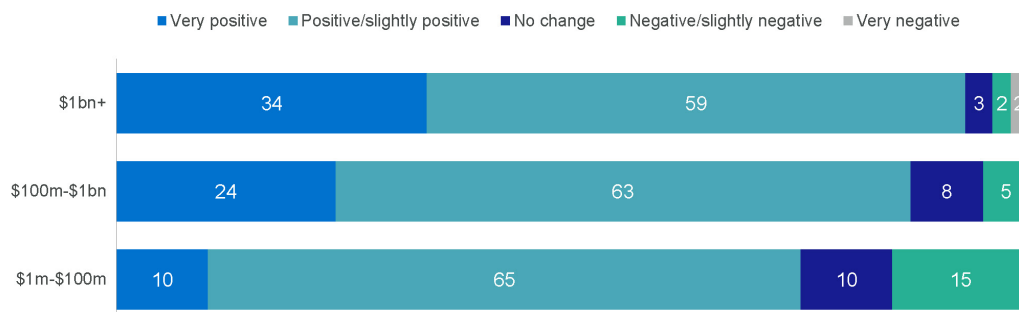
Percent of Asia-Pacific respondents



Larger organisations demonstrate more confidence. A third (34%) of companies with over \$1 billion in revenue are very positive about their growth prospects this year, while only 10% of smaller firms (under \$100 million) share this outlook. Organic growth remains the most important growth source (44%), followed by strategic alliances or joint ventures (26%) and private equity funding (20%).

Next year's growth outlook

Percent of Asia-Pacific respondents, by revenue



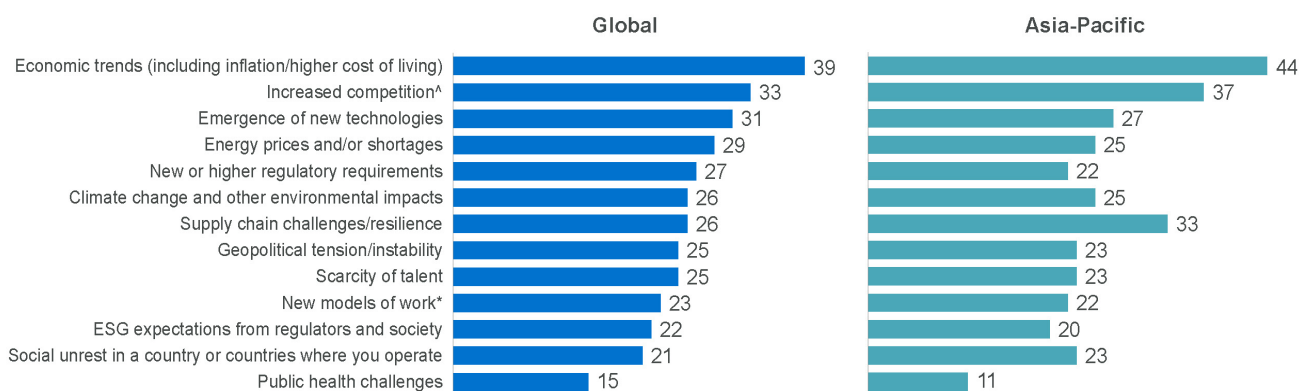
Question: How do you assess your company's outlook for growth in 2025?

Business leaders across APAC share the same top concerns as their global counterparts: an uncertain economy (47%) and increased competition (38%) are their biggest worries. In the APAC region specifically, supply chain issues (36%) round out their top three challenges.

Bracing for economic headwinds

In 2025, business leaders in APAC, same as their global peers, see economic trends (44%) and increased competition (37%) as having the biggest impact on their organisations.

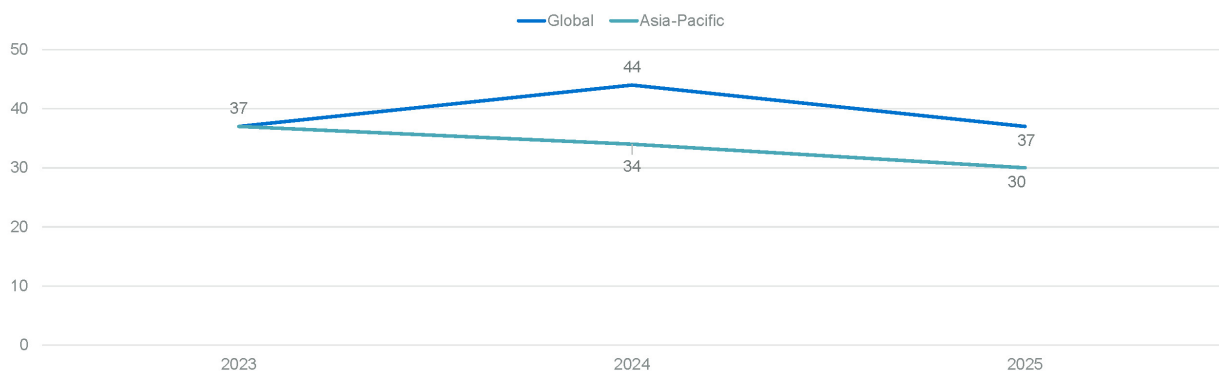
While new technologies emerge as the third-most important factor globally, APAC executives place a notably higher emphasis on supply chain resilience (33%) than their global peers. The large gap highlights APAC’s crucial role in global manufacturing and points to growing concerns about international trade tensions.



Question: Which of the following external trends do you expect to have the biggest impact on your organisation over the next 12 months?
^{*} Previous wording was "New models of work such as flexible and remote working"
[^] Previous wording was "Increased competition in your industry"

Leaders are less confident about handling these challenges than they were before. Confidence has dipped across the board, but less dramatically in Asia-Pacific (down 4 points to 30%) than globally (down 7 points to 37%).

Average percent "very confident" their business is prepared, across all relevant trends



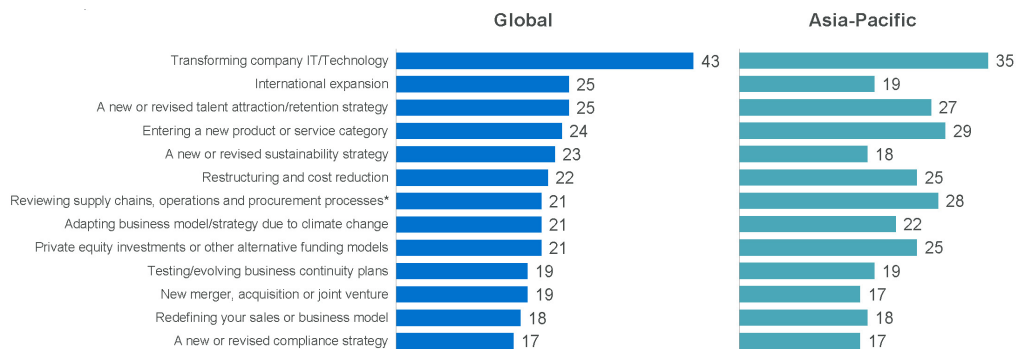
Question: How confident are you that your organisation is prepared for each of the following trends?

Topping the C-suite agenda

Among the 13 strategic priorities that may be included on the agenda of APAC businesses in the foreseeable future, technology still leads the pack, with 35% of respondents in APAC pointing to IT transformation as their number-one priority, same as last year.

There is a notable shift in their second focus: entering new product and service categories. Increasingly important, a focus on new products and services jumps from sixth place in 2024 to second in 2025, with 29% of respondents now prioritising it (up from 21% last year). It suggests companies are actively looking for new growth avenues.

Supply chain optimisation remains a major priority in the region, with 28% of leaders focusing on it – significantly higher than the global average of 21%. It tracks with Asia’s central role in global manufacturing and growing worries about trade stability.



Question: Which of the following activities are the top strategic priorities for your business over the next 3-5 years?
* Previous wording was "Reviewing supply chains, operations and processes"



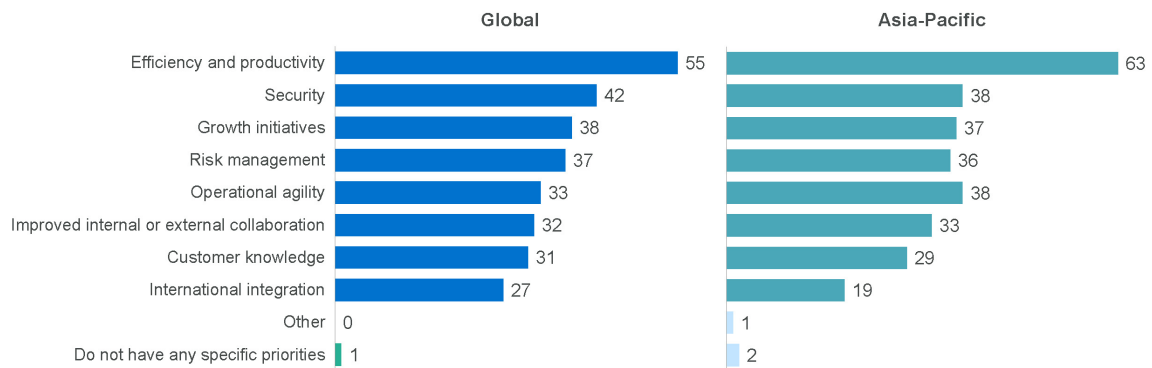
The AI race

In terms of digital transformation, companies in APAC are moving more slowly than the rest of the world in some key areas.

Only 66% of APAC businesses have dedicated strategies for technology transformation, compared to 76% globally. They are also cautious with AI implementation: only 60% have strategies for generative AI, and just 46% for discriminative AI.

Efficiency and productivity are the primary drivers of

digital transformation in APAC, which directionally aligns with the priorities of their global peers. But APAC business leaders are significantly more committed to achieving efficiency gains through technology investment: 63% say this is a priority, compared to 55% globally. Once again, it speaks to Asia's role as a centre for global productivity.

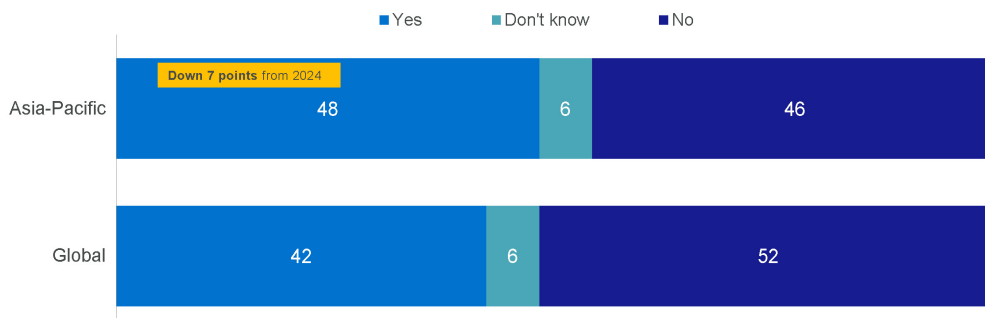


Question: What are the top three digital transformation priorities of the business?

APAC leaders have a more tempered outlook on the role of generative AI than their peers elsewhere, with only 44% expecting it to have a “major impact” – five points below the global average. This is reflected in their AI deployment activities: APAC organisations show lower adoption rates for both internal processes (75% vs. 77% globally) and commercial

products/services (65% vs. 75% globally).

There are still concerns about the disruptive power of AI. While fewer APAC business leaders now expect AI to replace workers compared to last year, the figure still stands at 48% – notably higher than the global average of 42%.



Question: Do you expect AI to replace jobs in your organisation?

The AI race (Cont'd)

It's worth noting that this survey was conducted before the launch of DeepSeek. China's achievement in developing an LLM that rivals ChatGPT – and at a fraction of the computing cost – has placed APAC firmly in the centre of the AI landscape.

Regional businesses are likely to benefit from DeepSeek's gravitational pull: manufacturers are turning to AI-powered predictive maintenance and data analytics to optimise their factories and supply chains, helping them maintain steady costs while maximising production.



Targeting overseas markets

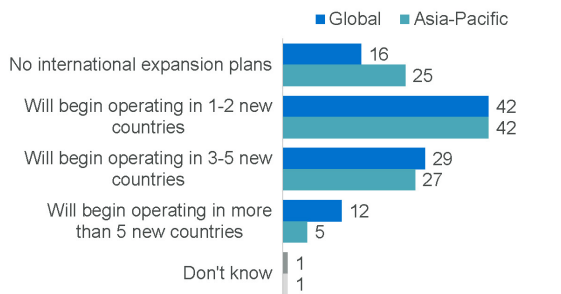
C-suite executives in APAC have high ambitions for international expansion, with 74% of organisations planning cross-border growth within the next five years.

These goals track with Asian business efforts to both maintain supply chain efficiency and anchor operations in key demand markets.

Roughly a third of respondents are targeting three or more new countries for expansion. The US leads as the preferred destination, followed by China, Canada, Hong Kong, and Singapore.

International expansion plans

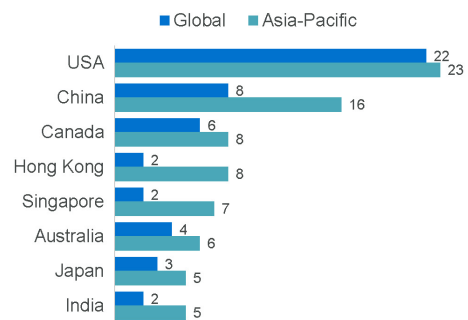
Percent of respondents



*NewCntry. What plans does your business have to expand internationally in the next 5 years?
IntlExp. Please select the most important country in your plans for international expansion.*

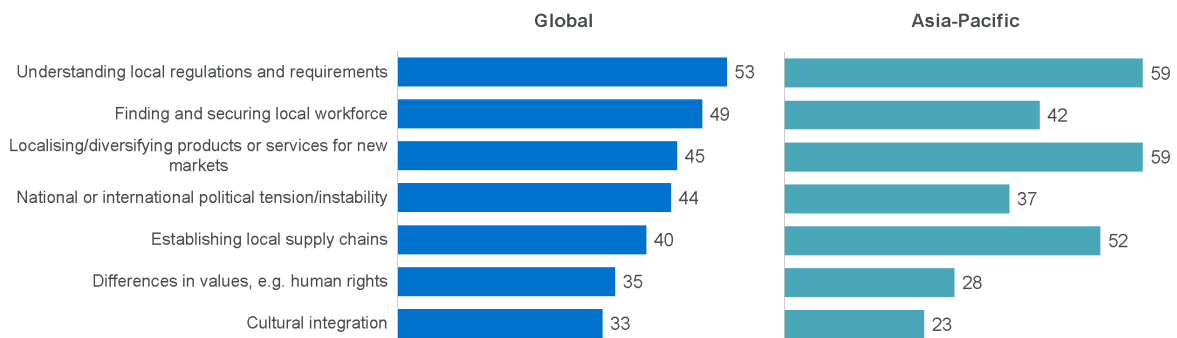
Top countries targeted for expansion

Percent of respondents whose organisation is planning expansion



To succeed internationally means understanding each market's regulations, mapping out talent strategies, and adapting products to meet local demands. Localisation is key. Unsurprisingly, APAC respondents – which often manage businesses across multiple economies in the region – cite the

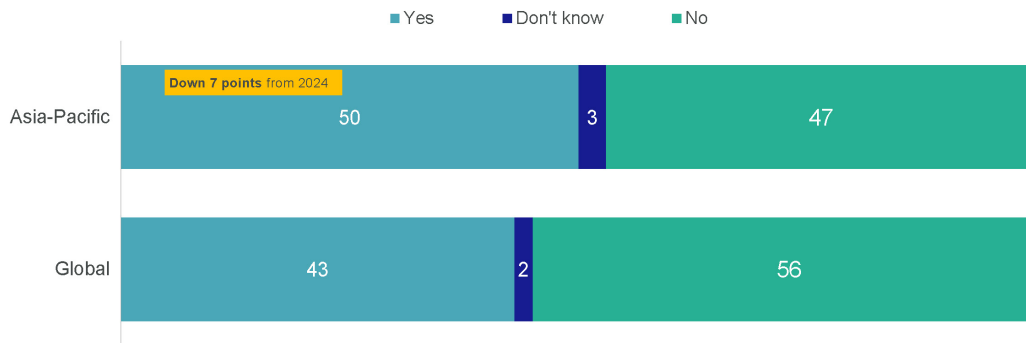
challenges of cross-market regulatory compliance (59%) or tailoring products and services to local requirements (59%) as their top international market entry challenges.



Question: What are the biggest challenges you face in setting up operations in new countries?

Competition for talent heats up

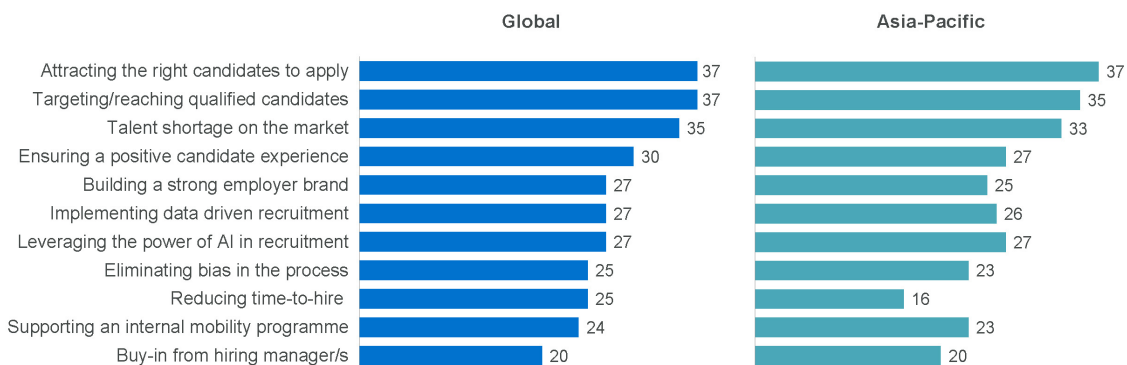
Organisations continue to prioritise talent as their main driver of growth. Despite a modest improvement in APAC, where 50% of executives report hiring difficulties – down from 57% in 2024 – the region still exceeds the global average of 43%.



Question: Do you struggle to hire talented people into your organisation?

Unlike 2024, when senior roles were hardest to fill, companies now struggle most with hiring entry and mid-level positions. The primary recruitment challenges centre on attracting suitable candidates

(37%) and targeting/reaching qualified candidates (35%).

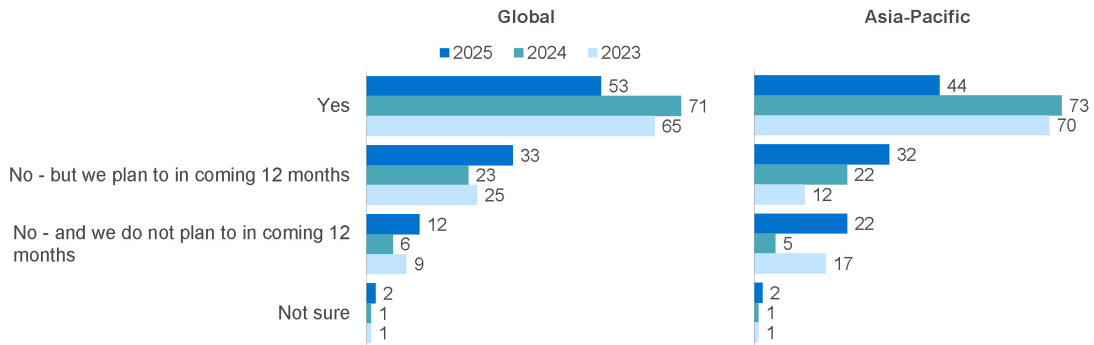


Question: What are your biggest recruitment challenges?

To draw in the best talent, organisations are advocating flexible work arrangements, positioning themselves as the “employer of choice.” 60% of APAC executives emphasise remote working options and 55% focus on reducing required office time.

ESG reporting loses steam

Despite new sustainability rules rolling out in 2025, companies are cutting back on their ESG reporting. There has been a dramatic 29-point decline in sustainability reporting, with only 44% of APAC organisations now publishing sustainability reports compared to 73% in 2024.

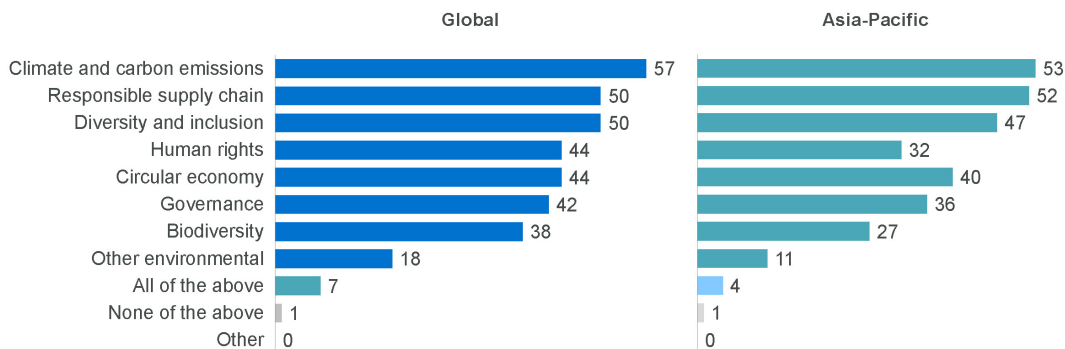


Question: Does your company publish a sustainability report?

Organisations’ readiness for ESG reporting requirements has also declined, with only 31% feeling “completely ready” – 6 points lower than in 2024 and 12 points below the global average. A majority (54%) of APAC C-suite leaders now view ESG reporting requirements as more of a cost than an opportunity, reflecting growing concerns about implementation challenges.

The Global Reporting Initiative (GRI) remains the primary framework influencing ESG reports in the region. Key focus areas include climate/carbon emissions (53%), responsible supply chain (52%), and diversity and inclusion (47%), though APAC executives express lower confidence in managing these areas compared to global counterparts.

However, there are positive developments in reporting integration, with 54% of organisations now integrating sustainability with financial reporting, marking a 14-point increase from 2024.



Question: Which of the following ESG topics does or will your reporting address?

Primary challenges include concerns about publicly highlighting areas needing improvement (37%) and limitations in internal capabilities/expertise (37%), representing significant barriers to ESG implementation.

Methodology

The Forvis Mazars C-suite barometer was designed and conducted by Forvis Mazars. The data was gathered between 28 September and 23 October 2024. Participants in the online panel interviews and surveys were C-suite executives from for-profit organisations with an annual revenue of at least US\$1 million. The total sample was N = 171.

Asia-Pacific sample: n=171	Sample
Asia-Pacific	171
Global	1706

Countries	Sample
Australia	20
China	20
Hong Kong	20
India	20
Japan	20
Singapore	21
South Korea	50

Revenue	Sample
\$1m - \$100m	71
\$100m - \$1bn	41
\$1bn+	59

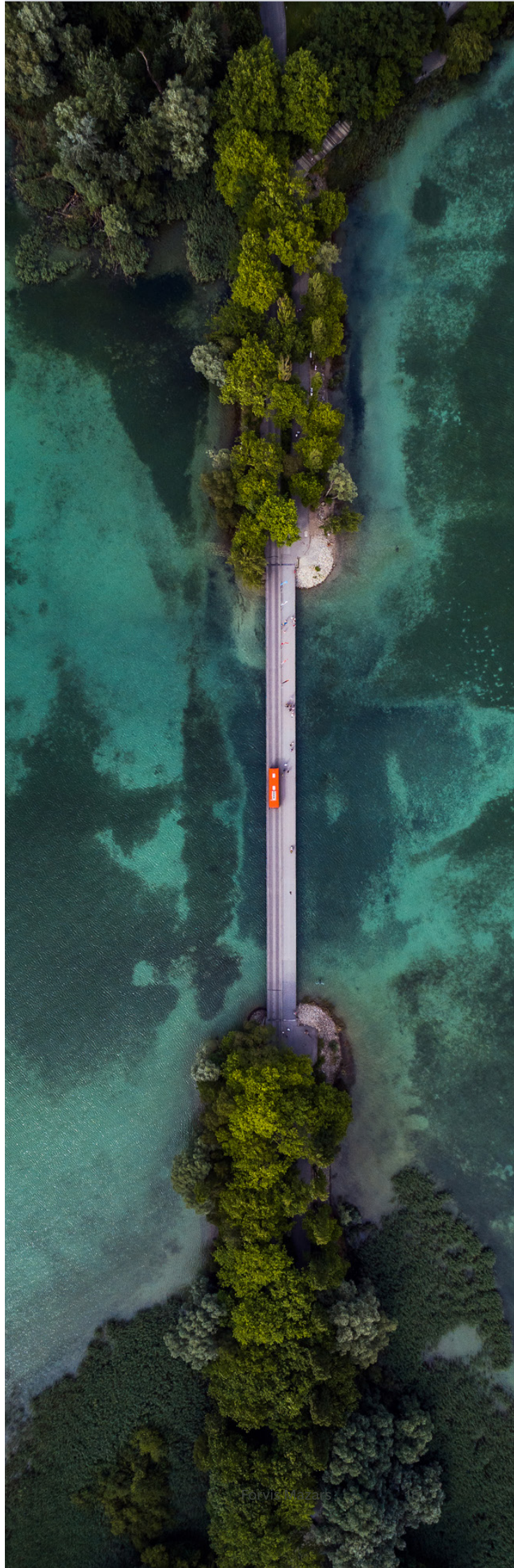
Seniority	Sample
CEO, Chair, Board	74
Other C-suite	97

Function	Sample
CTO	26
All functions/cross-cutting role	25
COO	21
CMO	12
CFO	6
Strategy	5
CHRO	5
Governance, Sustainability, Environment	4
Innovation	2
Quality	1

Sector

Sample

TMT	30
Financial Services	27
Manufacturing	23
Food & Beverage	17
Retail & Consumer	15
Construction & Real Estate	14
Mobility	8
Energy, Infrastructure & Environment	7
Professional Services	7
Other	7
Healthcare/Health Insurance	5
Pharmaceuticals/Life Sciences	5
Hospitality & Leisure	3
Utilities	2
Aerospace & Defence	1



Contacts

Jean-Francois Salzmann

APAC Chairman

Managing Partner for Japan, Forvis Mazars

jean-francois.salzmann@forvismazars.com

Forvis Mazars Group SC is an independent member of Forvis Mazars Global, a leading professional services network. Operating as an internationally integrated partnership in over 100 countries and territories, Forvis Mazars Group specialises in audit, tax and advisory services. The partnership draws on the expertise and cultural understanding of over 40,000 professionals across the globe to assist clients of all sizes at every stage in their development.

© April 2025

forvismazars.com

