

PwC's 28th Annual Global CEO Survey:
Tanzania perspective

From resilience to reinvention



March 2025



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Introduction

This year's Global CEO Survey provides insights from 4,701 CEOs in 109 countries and territories on the critical challenge to build on early productivity gains experienced from GenAI, and continue to drive payoffs from investments in sustainability.

A separate "Sub-Saharan Africa perspective" report shows that in a world full of uncertainties, Africa's business leaders stand out with their unique resilience. Their experience in handling complex challenges has assisted them in gaining a competitive edge in today's global market.

As we explore the report findings, we obtain a deeper understanding of the current business landscape, and the strategies Tanzanian leaders are adopting for future success.



Among the key findings:

Economic forecast and business sentiment

- **Positive territory outlook:** Tanzanian CEOs remain optimistic about their local economic growth, with 81% of them saying it will improve in the next 12 months.
- **Cautious global outlook:** Despite lowering global inflationary pressures, Tanzanian CEOs are cautious about global economic growth, with 59% saying it will improve in the next 12 months.
- **Key threats:** 31% of Tanzanian CEOs feel increasingly threatened by geopolitical conflicts within the region. Inflation and cyber security remain key threats to 28% of CEOs.

Continual reinvention

- **Viability:** 53% of Tanzanian CEOs believe that their business is economically viable for more than 10 years.
- **High viability factors:** Tanzanian CEOs indicated internal and external factors that can contribute to their company's long-term viability.
- **Strategic decisions:** Tanzanian CEOs have reallocated 10% or less of their financial and human resources across their business units, which may affect long-term profitability and growth.
- **Industry convergence:** Participating in new markets, 60% of CEOs reported that their revenue has increased up to 20%, while 37% of CEOs reported they made more than 20% of their company's revenue in the last five years.

AI

- **Efficiency and profitability:** AI adoption is paying off for Tanzanian CEOs are seeing positive returns in the efficiency and profitability.

Climate

- **Climate action:** Tanzanian CEOs remain committed to climate actions, 22% indicated that their climate-friendly investments decreased their costs, 32% indicated that these investments have increased their revenue.
- **Barriers:** Tanzanian CEOs reported the following barriers to climate-friendly investments: available finance (23%), regulatory complexity (18%), and the lack of demand from external stakeholders (15%).

Tanzania CEOs perspective on economic growth and business viability

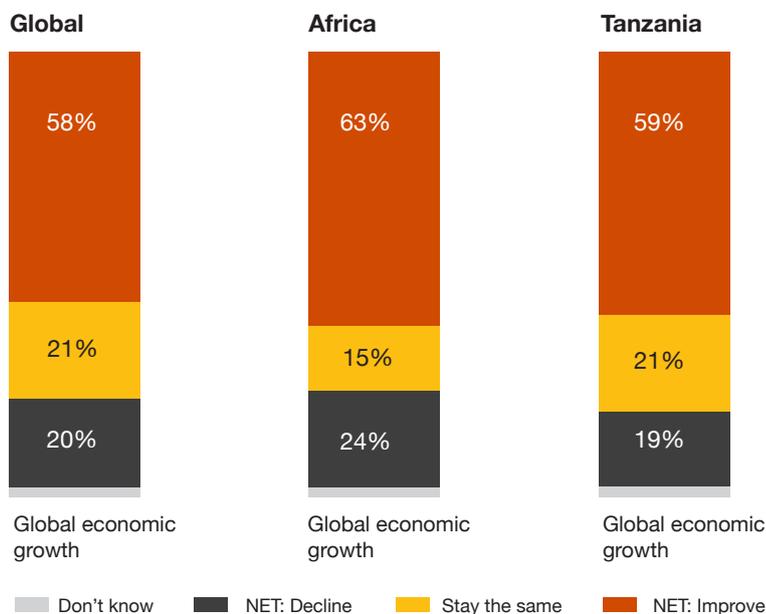
CEOs in Tanzania express growing confidence in economic prospects

Tanzanian CEOs are optimistic about the global economy, with 59% of CEOs believing the global economy will improve in the next 12 months. African (63%) and global (58%) CEOs are also optimistic about the growth of the global economy in the same period.

According to the International Monetary Fund, Tanzania's economy is projected to grow by 6% or more in 2025, and inflation is expected to stay below 4%. Tanzania's steady economic growth and stable inflation have made 81% of Tanzanian CEOs optimistic about their local economy in the next 12 months.

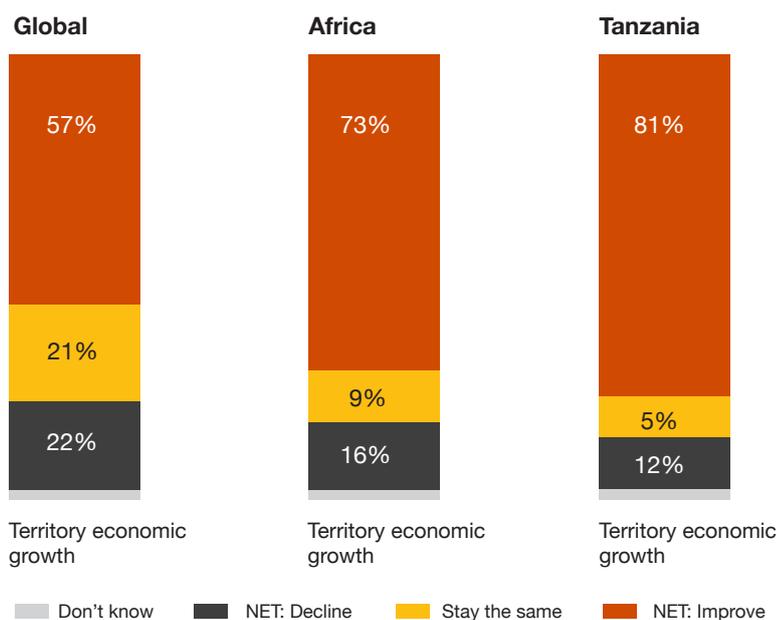
This sentiment is similar to last year's (2024: 81%), reinforcing the confidence Tanzanian CEOs have in their local economy. African CEOs (73%) have a similar optimism about the economy in Africa. However, global counterparts (57%) chose to remain cautious about their local territories.

Question: How do you believe economic growth (i.e., gross domestic product) will change, if at all, over the next 12 months in the global economy?



Source: PwC's 28th Annual Global CEO Survey

Question: How do you believe economic growth (i.e., gross domestic product) will change, if at all, over the next 12 months in your territory?



Source: PwC's 28th Annual Global CEO Survey

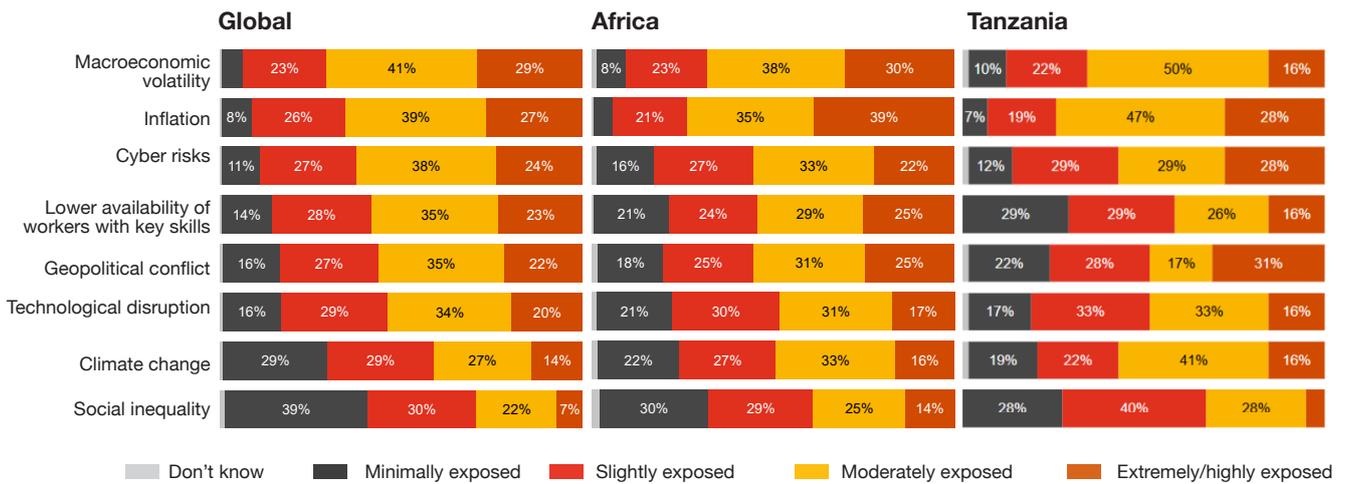
Threat exposure

Inflation in the short-term is still a key threat to 28% of Tanzanian CEOs and that of 27% of Global CEOs, while 39% of African CEOs feel they are highly exposed. Despite their optimistic outlook of their local economy, 31% of Tanzanian CEOs feel highly exposed to geopolitical threats, an increase compared to last year (24%). Tanzanian CEOs may feel vulnerable to spillovers from geopolitical and regional conflicts that could disrupt their trade and supply chains.

Global inflationary pressures are expected to ease in the next 12 months, however, there is some uncertainty about the performance of different markets. This perhaps why 29% of Global CEOs are more concerned with macroeconomic volatility. Cyber risk is also a concern for Tanzanian (28%) and Global CEOs (24%), this may be due to the increased adoption of technology including AI throughout their businesses.



Question: How exposed do you believe your company will be to the following key threats in the next 12 months?



Source: PwC’s 28th Annual Global CEO Survey



CEOs globally see macroeconomic volatility and inflation as the biggest threats this year, with increasing concerns about short-term impacts on revenue and profitability. The substantial pressure to reinvent their businesses has driven significant changes to business models over the past five years. Meanwhile, 59% of Tanzanian CEOs are optimistic about the global economy, believing it will improve in the next 12 months, despite key threats of inflation, geopolitical conflict and cyber risks.

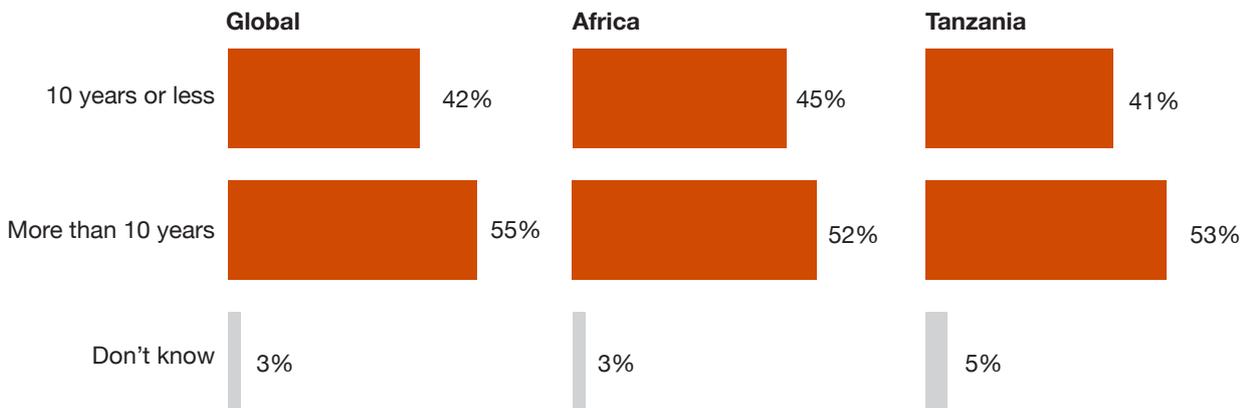
Cletus Kiyuga,
Partner, Assurance Services

Continual Reinvention

Tanzanian CEOs are more confident in their business model viability. If their business continues its current path, 41% of Tanzanian CEOs believe that their business will be economically viable for less than 10 years. Meanwhile, 53% of Tanzanian CEOs believe that their business will be economically viable for more than 10 years. CEOs who indicated viability for more than 10 years identified both internal and external factors that will influence their company’s high viability factor.

Internally, they indicated organizational efficiencies (61%), correct strategic choices (55%) and sufficient skills needed for the competitive environment (39%). Externally, they highlighted increasing demands for products/services (48%), disruptive technologies (45%) and ease of financing (35%).

Question: If your company continues running on its current path, for how long do you think your business will be economically viable?



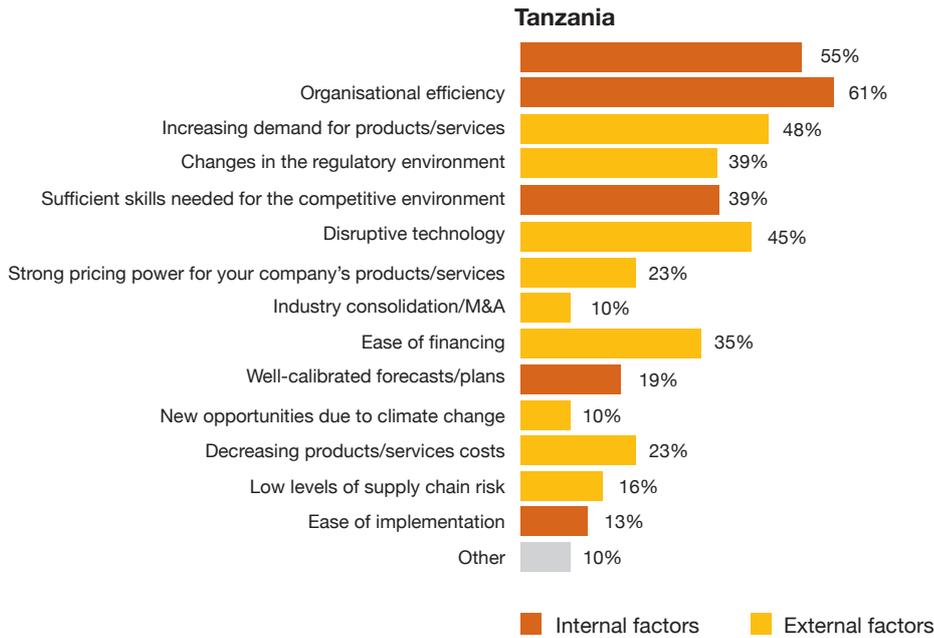
Source: PwC’s 28th Annual Global CEO Survey



Tanzanian CEOs are more confident in their business model viability, with 53% believing their business will be economically viable for more than 10 years. A significant proportion of CEOs have taken action in recent years to adapt their business models due to the pressure to change.

Chacha Winani,
Associate Director, Deals

Question: What factors do you believe will most influence your company's economic viability?



Source: PwC's 28th Annual Global CEO Survey

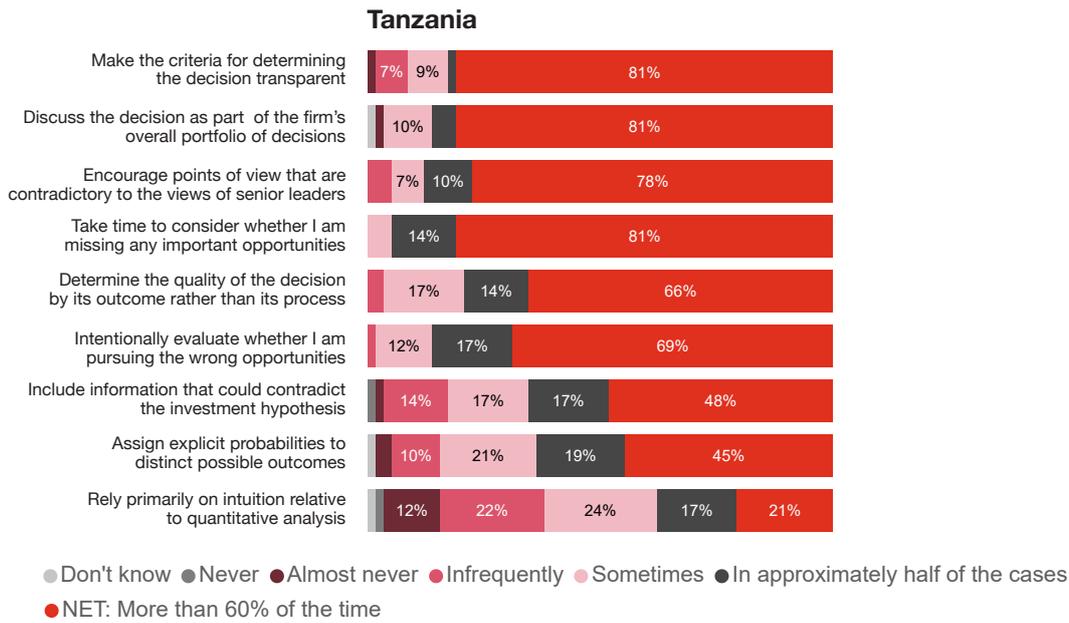
A majority (83%) of Tanzanian CEOs indicated that they have more than one business unit and, in the last five years, 85% of their revenue has come from their core business. Tanzanian CEOs are dedicated to continual reinvention within their businesses. This involves making strategic decisions that involve the commitment of significant resources that affect long-term profitability and growth.

When making these decisions, 81% of Tanzanian CEOs say they make these decisions transparent, make it part of the firm's overall decision portfolio and, take the time to consider whether they are missing any critical opportunities.

In the last and current fiscal year, Tanzanian CEOs have made efforts in reallocating financial and human resources across their businesses. 40% of Tanzanian CEOs have allocated between 1-10% of human resources, whereas 31% of Tanzanian CEOs have allocated between 1-10% of financial resources.

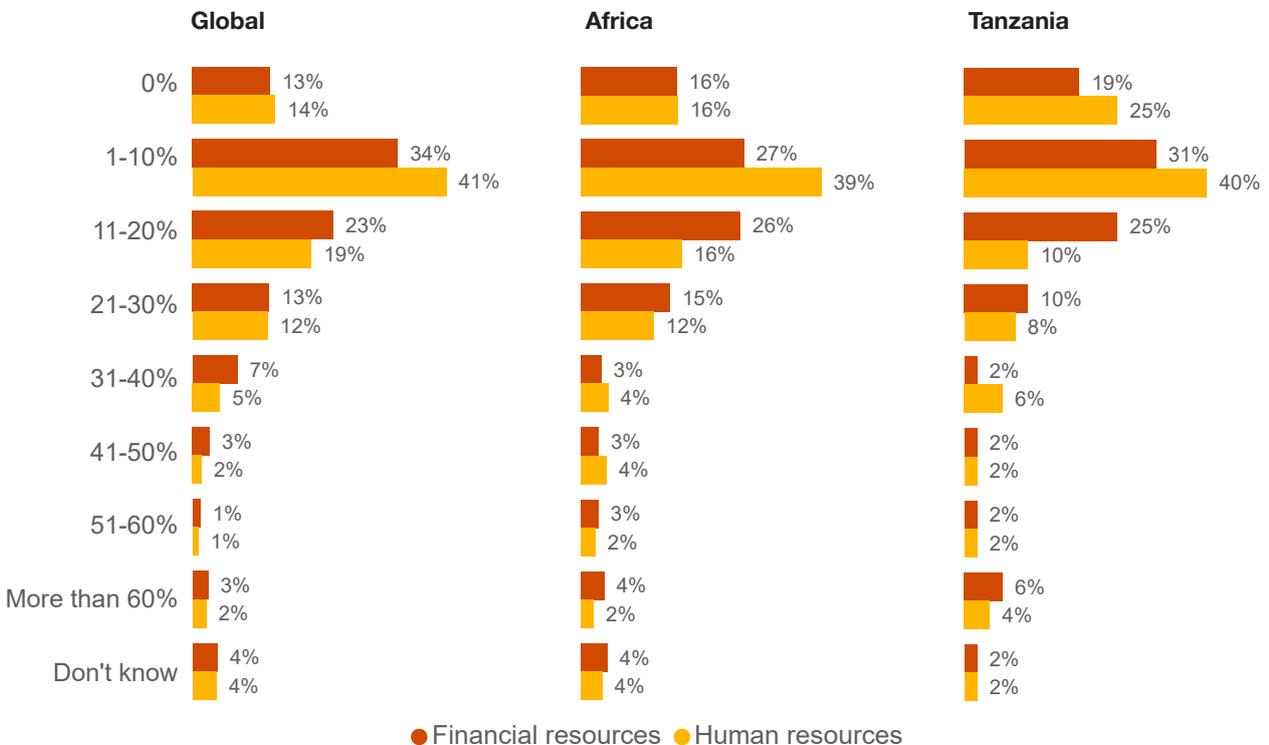


Question: What factors do you believe will most influence your company's economic viability?



Source: PwC's 28th Annual Global CEO Survey

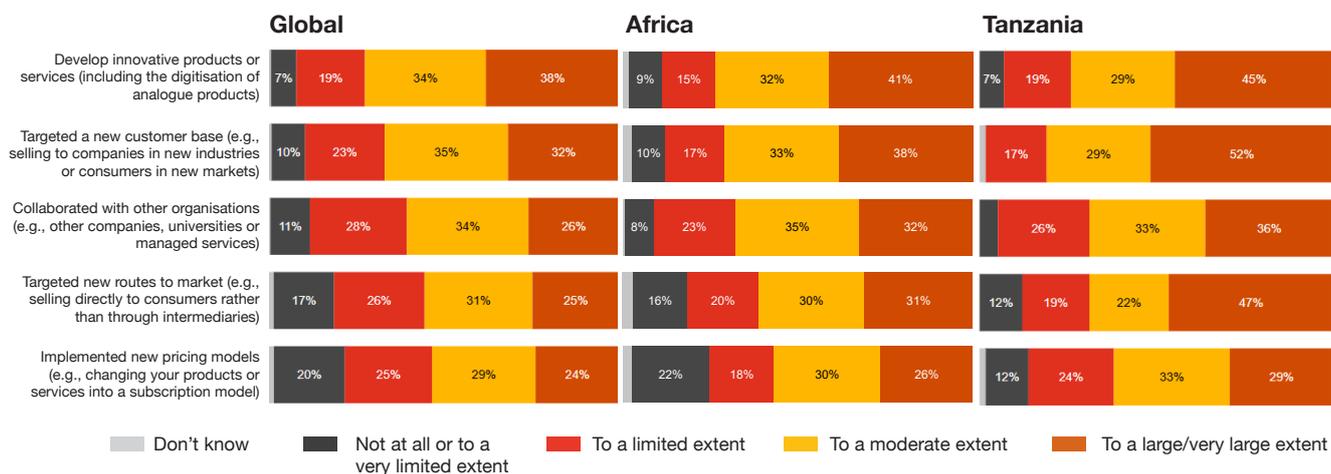
Question: What proportion of your company's financial and human resources did you and your management team reallocate across your business units between the last fiscal year and the current year?



Source: PwC's 28th Annual Global CEO Survey

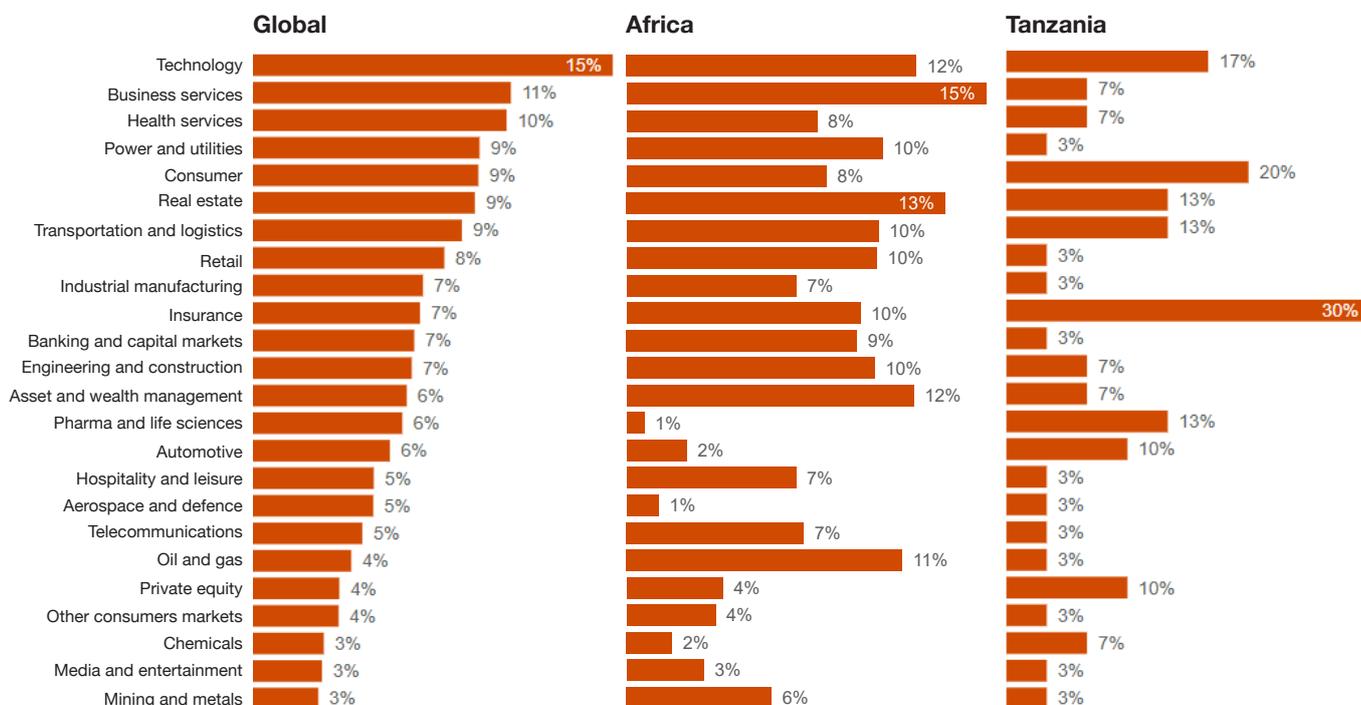
To create, deliver and capture value in the last five years, Tanzanian CEOs have focused their efforts to target a new customer base (52%), to target new routes to market (47%) and develop innovative products or services (45%). 52% of them have also indicated that they have ventured into new markets and new industries in the last five years: insurance (30%), consumer (20%), and technology (17%).

Question: To what extent has your company taken the following actions in the last five years?



Source: PwC's 28th Annual Global CEO Survey

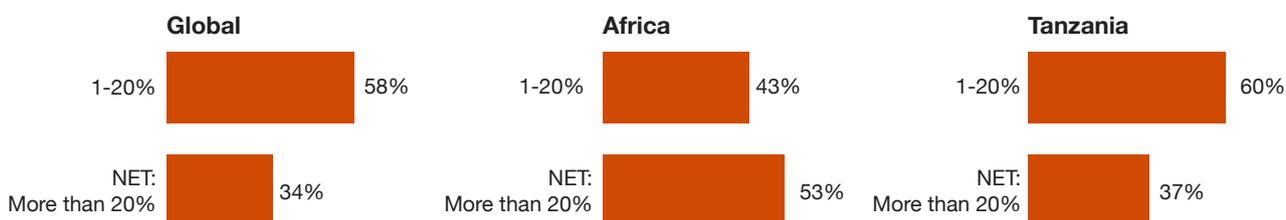
Question: Please select up to three sectors or industries that your company has begun competing in over the last five years



Source: PwC's 28th Annual Global CEO Survey

Participating in these new markets, 60% of CEOs reported that their revenue has increased up to 20%, while 37% reported they made more than 20% of their company's revenue in the last five years. As a result, 55% of Tanzanian CEOs indicated that their market share increased in the same period.

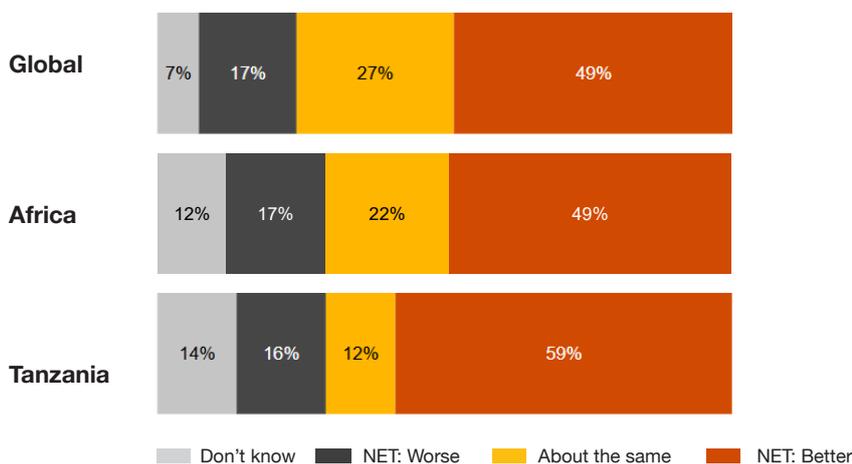
Question: What proportion of your company's revenue in the last five years came from competing in these sectors or industries?



Source: PwC's 28th Annual Global CEO Survey

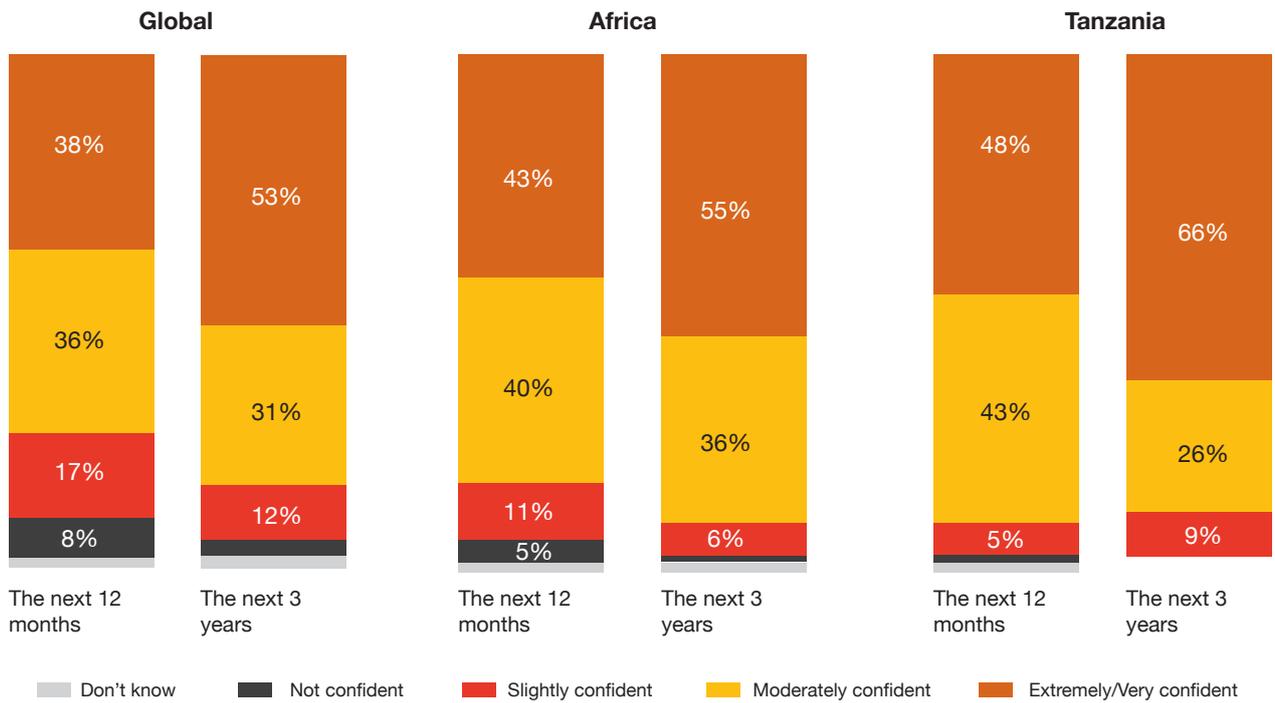
In the last fiscal year, 59% of Tanzanian CEOs reported that their business performed better than the industry average. In the next 12 months, Tanzanian CEOs are very confident in their company's prospects for revenue growth, with 48% of CEOs saying that their company's revenue will grow in the next 12 months and 66% say it will increase in the next 3 years. This reaffirms their confidence in their business viability and influence their positive outlook on the local economy.

Question: During the most recently completed fiscal year, how did your company's profitability compare to your industry average?



Source: PwC's 28th Annual Global CEO Survey

Question: How confident are you about your company's prospects for revenue growth over the next 12 months/ 3 years?



Source: PwC's 28th Annual Global CEO Survey

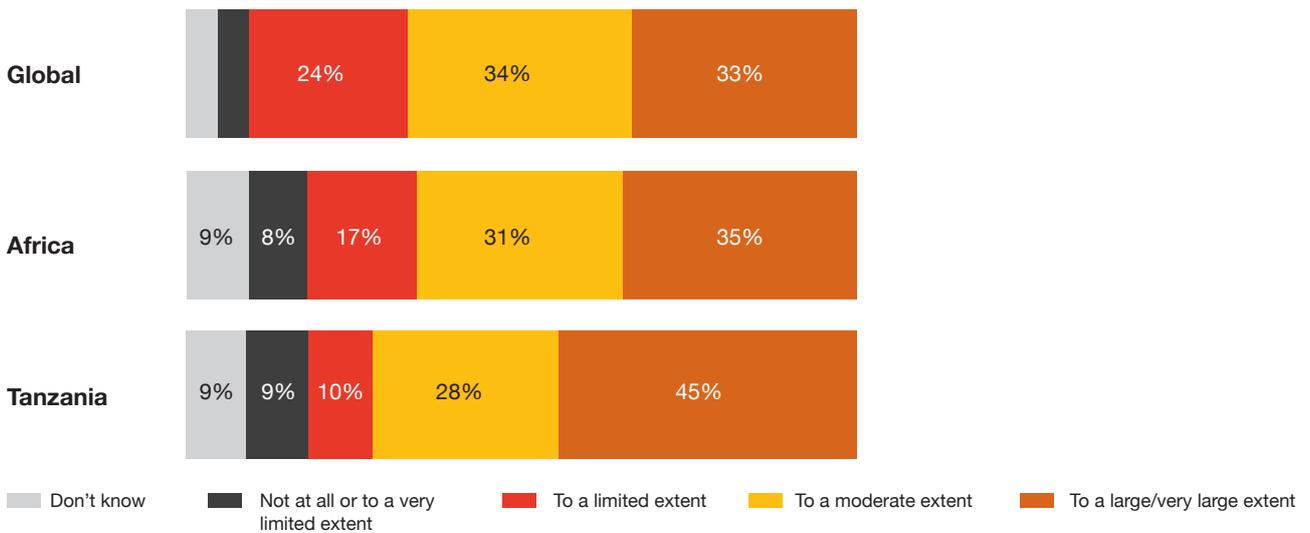


AI

Compared to their global and African counterparts, there is a considerable amount of trust Tanzanian CEOs have put in AI being embedded in their company’s key processes (45%).

This trust is seeing Tanzanian CEOs have positive returns regarding the implementation of AI in their companies in the last 12 months. Improving their own efficiencies (61%), their employees’ efficiencies (53%), and the company’s profitability (47%).

Question: To what extent do you personally trust having AI (including generative AI) embedded into key processes in your company?



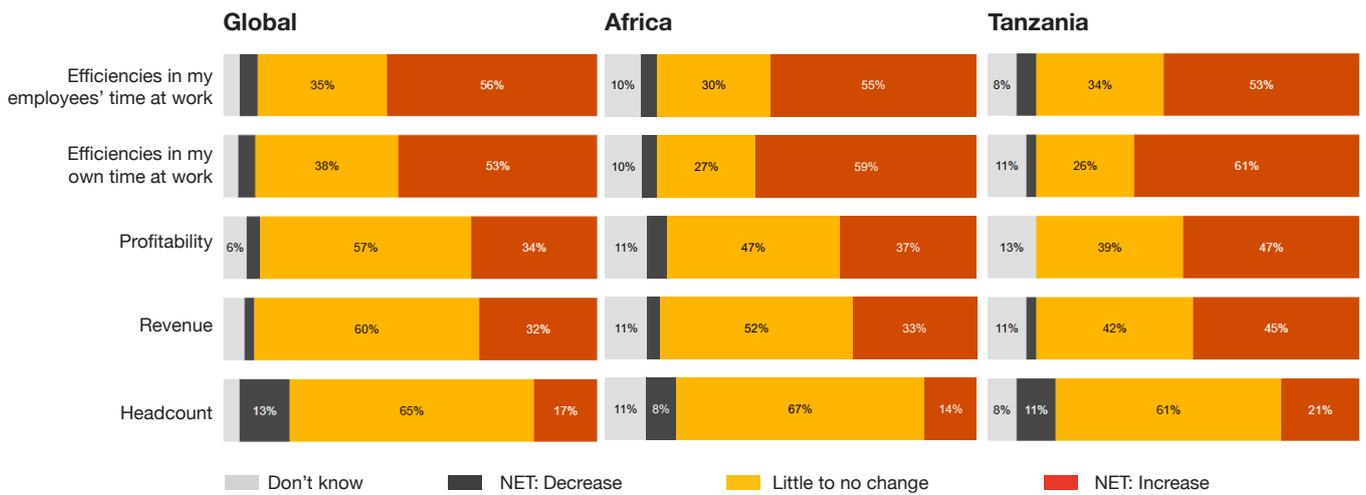
Source: PwC’s 28th Annual Global CEO Survey



Business leaders indicate that investments in GenAI have led to increased profits and greater efficiency in work processes. 52% of Tanzanian CEOs expect GenAI to boost profitability in the next 12 months.

Najma Hussein,
Senior Manager, Consulting and Risk Services

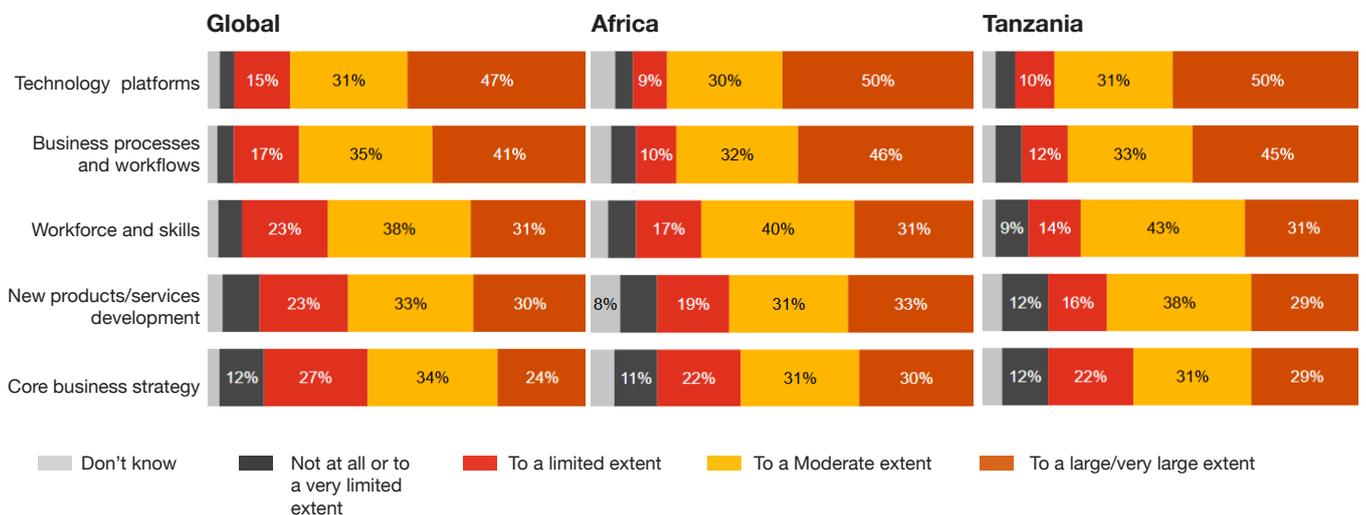
Question: To what extent did generative AI increase or decrease the following in your company in the last 12 months?



Source: PwC's 28th Annual Global CEO Survey

In the next 12 months, 52% of Tanzanian CEOs expect AI to continue increasing their profitability. Whereas in the next three years, they predict that GenAI will be systematically integrated into their technology platforms (50%), into their business process and workflows (45%), and into their workforce and skills (31%).

Question: To what extent, if at all, do you predict AI (including generative AI) will be systematically integrated into the following areas in your company in the next three years?



Source: PwC's 28th Annual Global CEO Survey

Climate

Climate-friendly investments include transitioning to energy-efficient operations, developing greener products and services and implementing emission-reducing technologies. Over the last five years, Tanzanian CEOs have had split views on how climate-friendly investments have impacted their company costs. 22% indicated that climate-friendly investments have increased their costs, while another 22% indicated that they have decreased their costs.

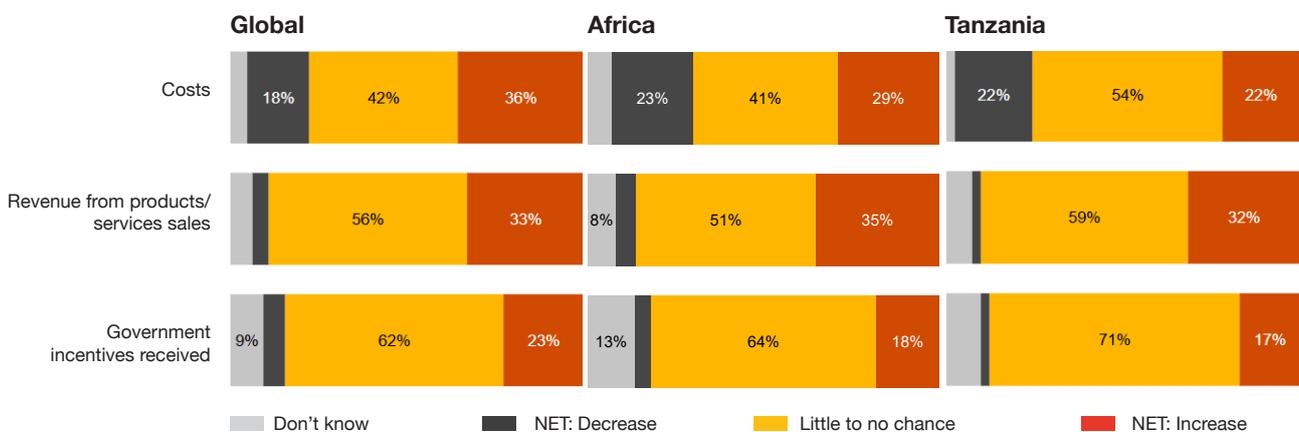
Meanwhile, Global CEOs (36%) report that climate-friendly investments have increased their costs. There are returns CEOs are seeing from their climate-friendly investments. Over the last five years, 32% of Tanzanian CEOs indicated that their climate-friendly investments have resulted in an increase in revenue from their products/ services sales. However, they are still experiencing barriers in implementing climate actions in their businesses regarding available finance (23%), regulatory complexity (18%) and the lack of demand from external stakeholders (15%).



Global investments in climate-friendly initiatives are on the rise, resulting in increased revenues for companies. CEOs report that the advantages of these investments are gradually becoming evident. However, challenges such as limited available finance, regulatory complexity, and insufficient demand from external stakeholders hinder the implementation of climate actions in Tanzania.

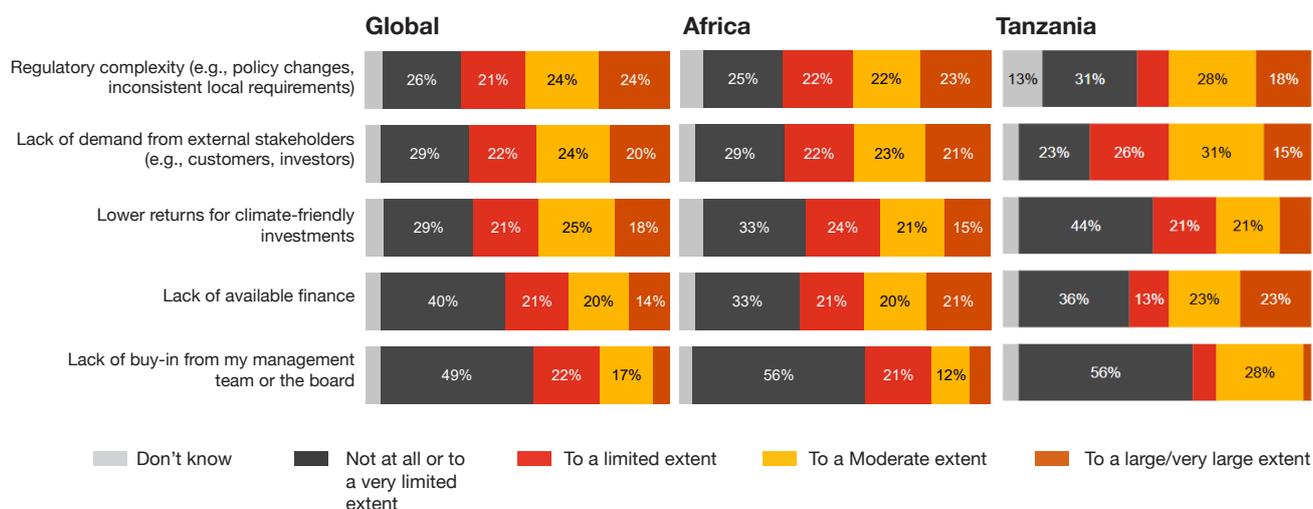
Ali Dawoodbhai, Partner,
Tax and Legal Business Services

Question: To what extent have climate-friendly investments initiated by your company in the last five years caused increases or decreases in the following?



Source: PwC's 28th Annual Global CEO Survey

Question: To what extent, if at all, have the following factors inhibited your company’s ability to initiate climate-friendly investments in the last 12 months?



Source: PwC’s 28th Annual Global CEO Survey



In every sector, a few leading companies are pioneering climate-friendly investments. A larger group of companies, driven mainly by legislation, is increasingly focusing on sustainability, though this is primarily a long-term endeavor. While 36% of Global CEOs report increased costs due to climate-friendly investments, they also see returns. Over the past five years, 32% of CEOs in Tanzania have noted an increase in revenue.

Fadhila Tiisekwa
 Senior Manager, Tax and Legal Business Services

Conclusion

What will the Tanzania economy look like in 2035? Although many scenarios are possible, the answer will depend significantly on how the government, corporations and civil society respond to the threat posed by climate change and the historic opportunity presented by AI.

By extension, the companies most likely to thrive in the future are those that move now both to understand how these forces will reshape their industry and to reimagine their business models, their operations, and their uses of technology, energy, and other scarce resources.



Contacts



Zainab Salome Msimbe
Country Senior Partner
PwC Tanzania
zainab.msimbe@pwc.com



Patrick Kiambi
Assurance Leader
PwC Tanzania
kiambi.patrick@pwc.com



Rishit Shah
Tax and Legal Business Services Leader
PwC Tanzania
rishit.shah@pwc.com



Benjamin Mkwizu
Associate Director
Consulting and Risk Services
PwC Tanzania
benjamin.mkwizu@pwc.com



Chacha Winani
Associate Director
Deals
PwC Tanzania
chacha.winani@pwc.com

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Insights prepared by the CMD Africa Research team and CMD Tanzania.

Ariane Serret

Senior Manager
Regional (EMA) Clients & Markets
PwC Mauritius
ariane.serret@pwc.com

Pauline Koola

Manager
Clients and Markets Development
PwC Tanzania
pauline.koola@pwc.com

Sindisiwe Dladla

Associate
Research and Insights
PwC South Africa
sindi.dladla@pwc.com

Farida Sinda

Senior Associate
Clients and Markets Development
PwC Tanzania
farida.sinda@pwc.com

Methodology

PwC surveyed 4,701 CEOs in 109 countries and territories from 1 October through 8 November 2024. The East Africa cut consists of 169 unweighted responses which this report is based on. All quantitative interviews were conducted on a confidential basis.

Among the CEOs who participated in the survey:

- 3% lead organisations with revenues of US\$25 billion or more
- 3% lead organisations with revenues between US\$10 billion and US\$25 billion
- 20% lead organisations with revenues between US\$1 billion and US\$10 billion
- 33% lead organisations with revenues between US\$100 million and US\$1 billion
- 36% lead organisations with revenues of up to US\$100 million
- 62% lead organisations that are privately owned.

East Africa participating countries:

Kenya, Mauritius, Rwanda, Tanzania, Uganda, Zambia

Note

Percentages in charts may not add up to 100% - a result of rounding percentages; multi selection answer options; and the decision in certain cases to exclude the display of certain responses, including 'Other,' 'Not applicable' and 'Don't know.'

Dar es Salaam

3rd Floor, Pemba House
369 Toure Drive, Oysterbay
P O Box 45 Dar es Salaam, Tanzania
Tel: 255 (0) 22 219 2000

Arusha

10th Floor, PAPU House
Plot No. 114, Block Z, Sekei- Philips
P.O Box 3070, Arusha, Tanzania
Tel: +255 (0) 22 219 2812
Mobile: +255 766 488236

www.pwc.co.tz

