

Yakov and Partners

Business world pulse-check

CEO survey

May 2024



SPIEF'24
ST. PETERSBURG
INTERNATIONAL
ECONOMIC
FORUM

 **ROSCONGRESS**
Building Trust

Executive summary



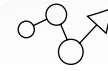
Talent shortage is the key challenge

- Talent attraction and retention will remain the main concern for business leaders in the coming months, as the share of those who prioritized this issue over others rose to a record 43% in 2024. In addition, shortages of skilled labor remained the most important issue for executives over the entire survey period, with 60% of the respondents citing it as a challenge.
- Foreign trade restrictions and sanctions continue to affect businesses. In 2024, the rising cost of capital and increasing interest rates made it to the top three risks for the first time. However, for all the difficulties of raising capital required to achieve business growth targets, this risk comes second to the problem of talent shortages.



An optimistic future

- Once again, the majority of CEOs stated that business had either picked up or remained stable over the past 6 months. The number of those who believe their businesses deteriorated increased slightly vs. the June 2023 figures, yet was still lower than in 2022.
- More than half of the respondents expect business to pick up in the next six months, while the share of those who expect the current situation in their company to either improve or remain stable rose to a record 87%.



Growth aspirations

- The positive outlook held by business leaders regarding their prospects for the next six months is supported by their priorities, as the respondents identified increasing product and service output, tapping into new customer segments, and launching new investment projects as their top goals. The results indicate that Russian businesses have adjusted to the disruptions caused by the geopolitical crisis and are ready to expand. Breaking into new geographies took a back seat to other priorities.



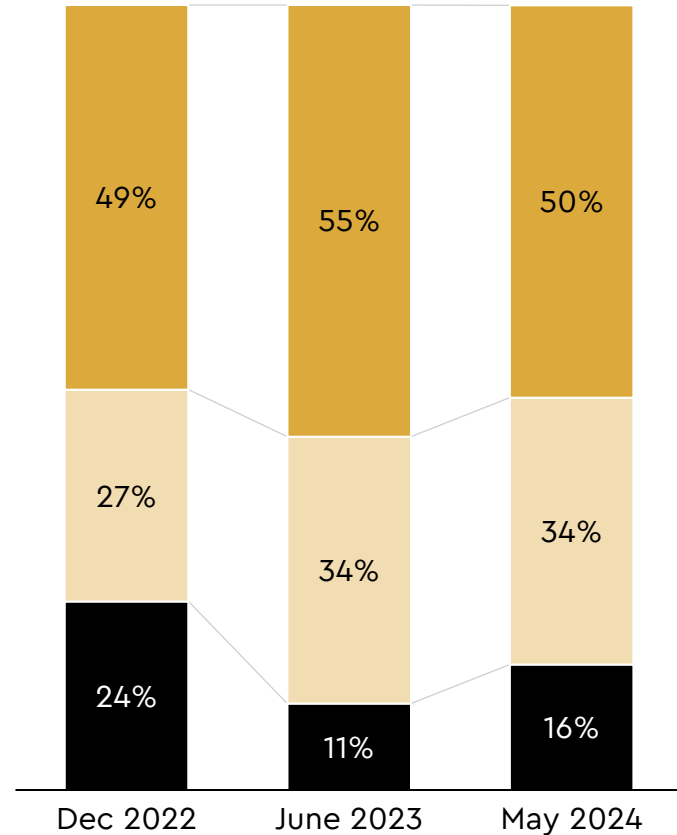
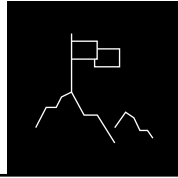
Trust in artificial intelligence

- The share of CEOs who believe artificial intelligence will in some way or form impact their companies in the next 12 months rose to 71%.
- Business leaders are convinced that AI will help reduce costs, boost revenues, and increase product customization.

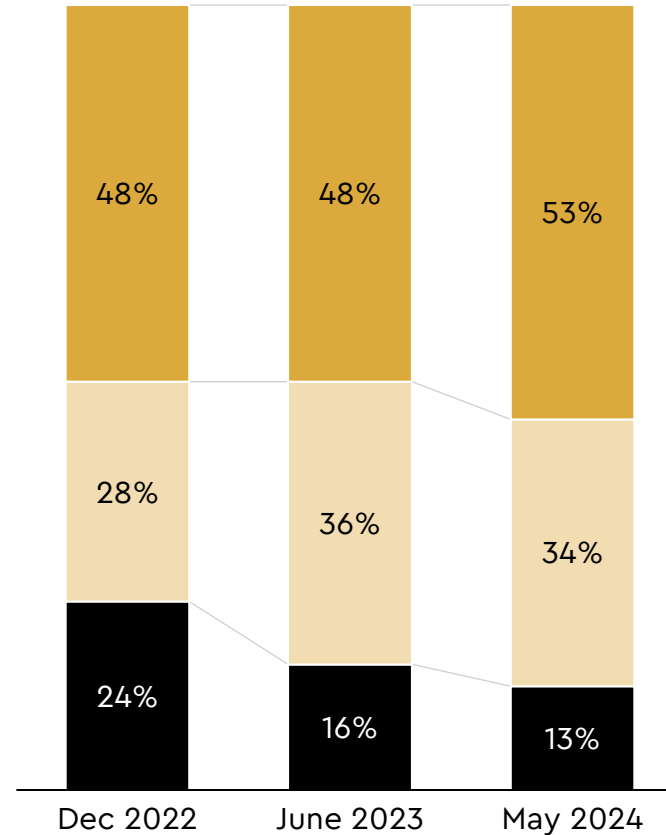
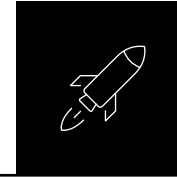
An optimistic view of the future

Improved Deteriorated
Stable

How would you assess the current state of your business vs. 6 months ago?¹



How would you assess the prospects of your business in 6 months?¹



Over 80%

of CEOs stated that business had either picked up or remained stable over the past 6 months

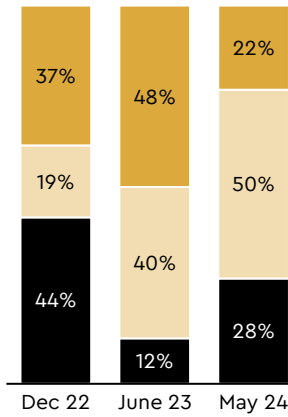
Business leaders feel increasingly optimistic about the prospects of their companies

1. The share of all those surveyed
Source: CEO Barometer Survey by Yakov and Partners, December 2022, June 2023, and May 2024

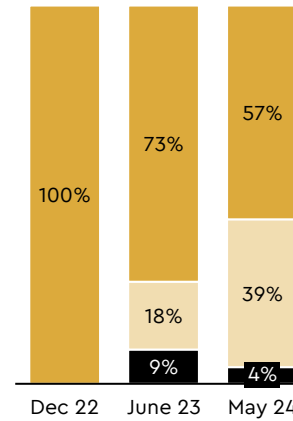
How would you assess the current state of your business vs. 6 months ago?¹

Improved Stable Deteriorated

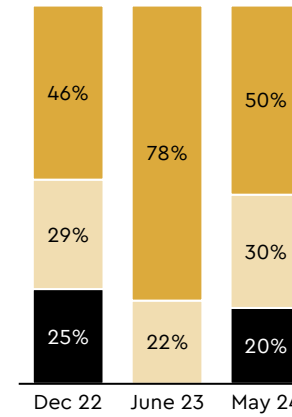
Metals and mining



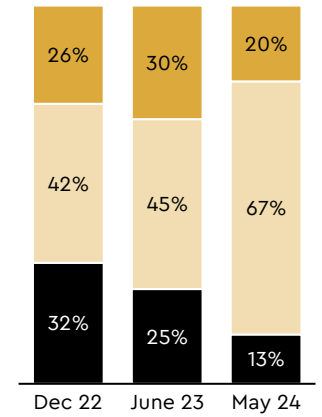
Banking and finance



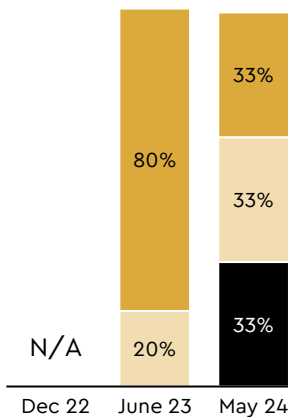
Retail, e-commerce, and FMCG



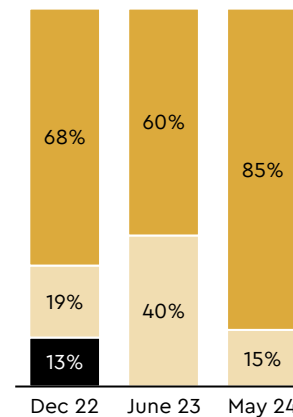
Oil and gas, chemicals, and power generation



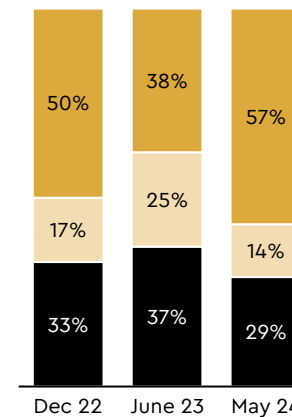
Construction



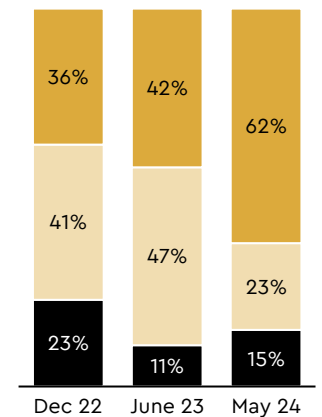
Technology and IT



Agriculture



Other industries



Optimism seems to be the prevailing sentiment across all industries except construction

1. The share of all those surveyed

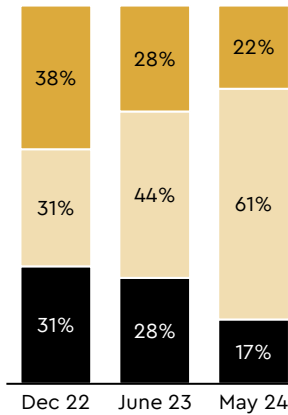
CEOs in the banking, IT, and agriculture sectors tend to take the most optimistic views of their companies' prospects in the coming months

Almost half of construction executives expect things to take a turn for the worse

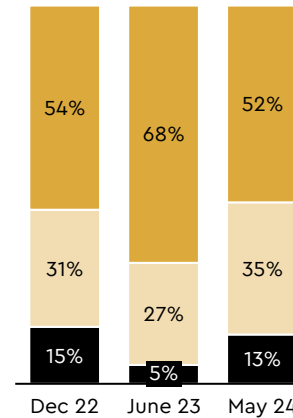
How would you assess the prospects of your business in the next 6 months?¹

Improved Stable Deteriorated

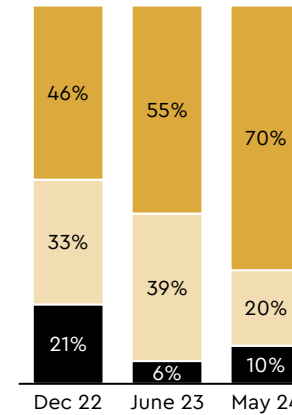
Metals and mining



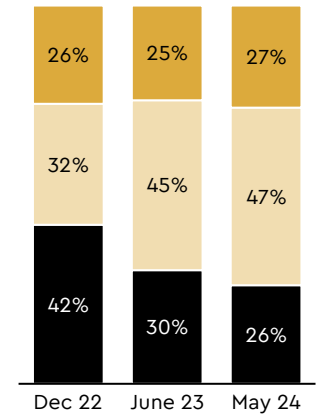
Banking and finance



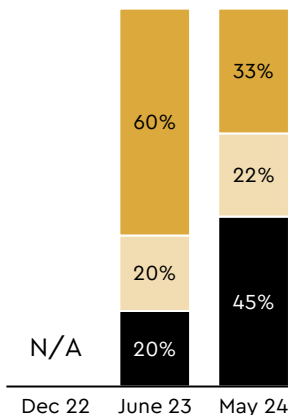
Retail, e-commerce, and FMCG



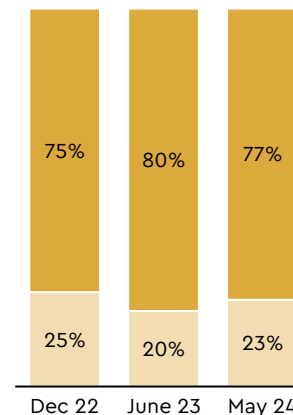
Oil and gas, chemicals, and power generation



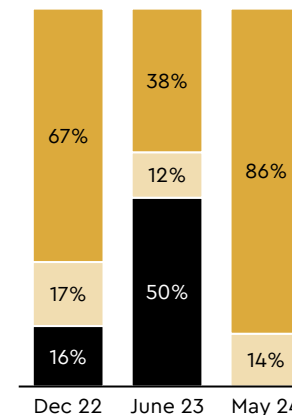
Construction



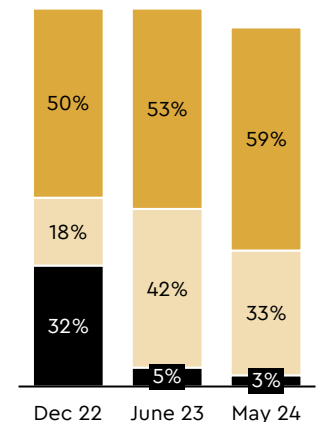
Technology and IT



Agriculture



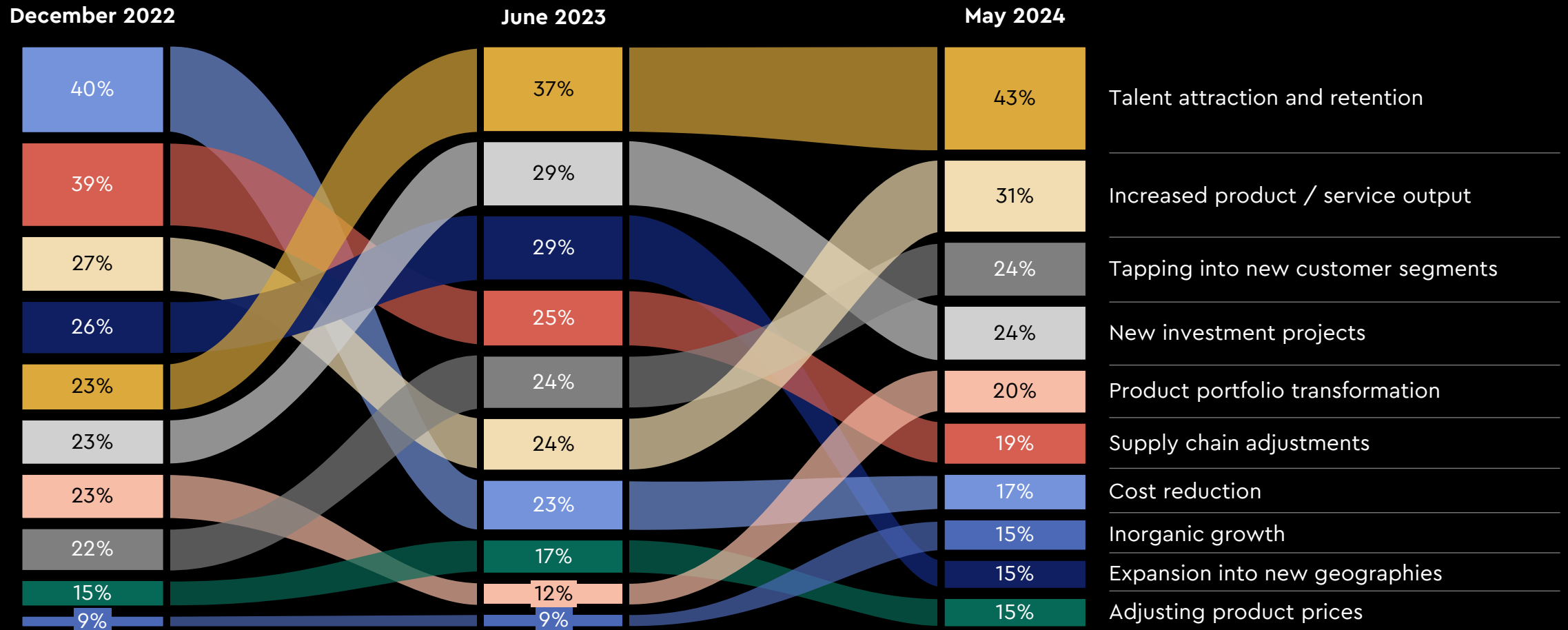
Other industries



1. The share of all those surveyed

Top CEO priorities for the next six months include attracting and retaining talent, increasing product and service output, and tapping into new customer segments

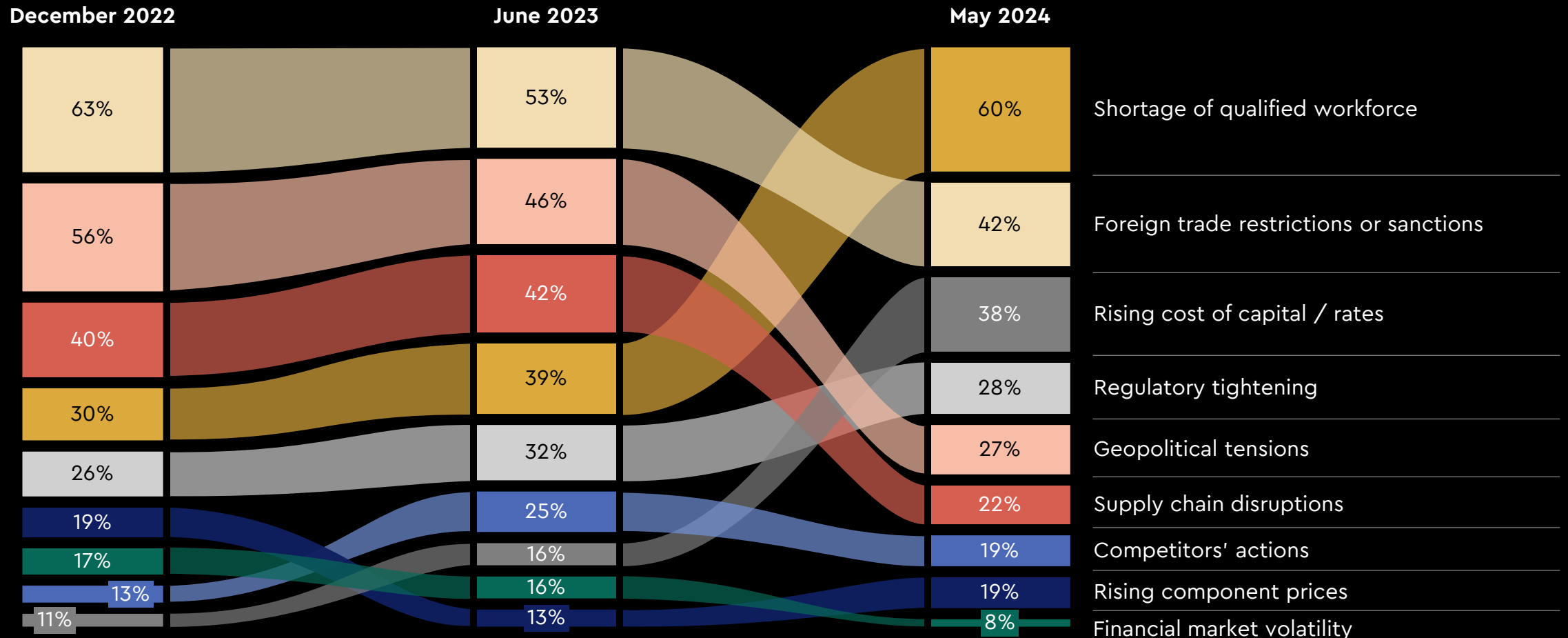
Which of the below do you find the most important for your company for the next 6 months?¹



1. The share of all those surveyed; the sum of percentage values does not add up to 100%

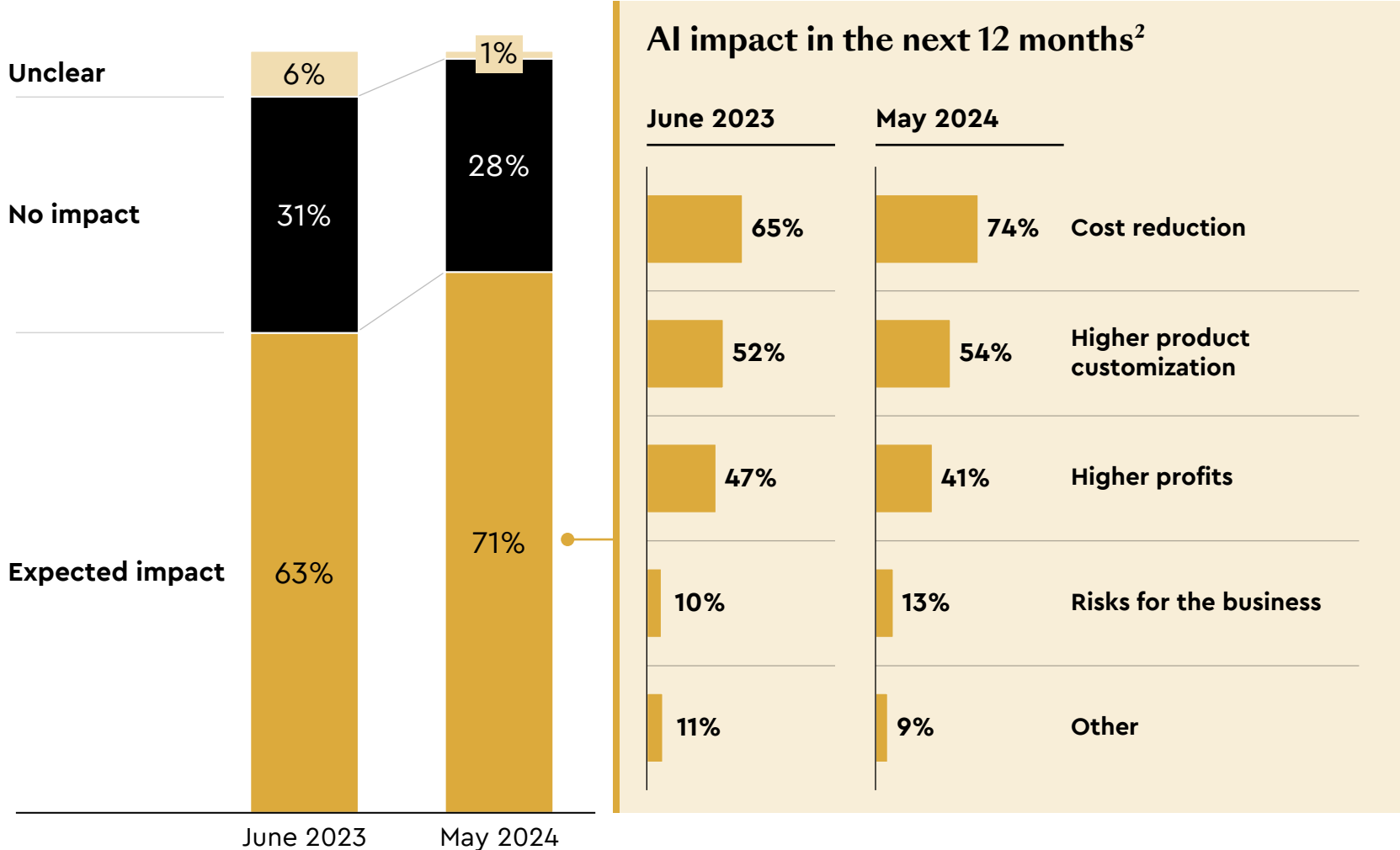
Talent shortages, foreign trade restrictions, and rising cost of capital are the main challenges faced by most companies

Please identify the most severe risks for your company over the next 6 months¹



1. The share of all those surveyed; the sum of percentage values does not add up to 100%

What sort of impact will AI development have on your company within 1 year?¹



71%

of CEOs believe AI will have some impact on their companies in the next 12 months, which is a new high for this category

Business leaders expect cost reduction to be the most material effect of AI implementation

1. The share of all those surveyed 2. The share of the respondents who believe AI will have some impact on their companies

Source: CEO Barometer Survey by Yakov and Partners, June 2023 and May 2024

What sort of impact (if any) will AI development have on your company in the next 12 months? ¹

	Retail, e-commerce, and FMCG	Banking and finance	Metals and mining	Agriculture	Construction	Technology and IT	Oil and gas, chemicals, and power generation	Other industries
Expected impact	80%	78%	67%	86%	67%	92%	67%	59%
Higher profits	30%	30%	17%	86%	22%	62%	27%	18%
Higher product customization	50%	43%	28%	29%	22%	77%	33%	31%
Cost reduction	65%	57%	61%	86%	67%	31%	53%	41%
Risks for the business	5%	22%	0%	0%	11%	15%	0%	10%
No impact	20%	22%	33%	14%	33%	8%	33%	38%
Potential impact is unclear at the moment	0%	0%	0%	0%	0%	0%	0%	3%

1. The share of all those surveyed

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