



Innovate to Break Through, Grow with Resilience

29th Annual Global CEO Survey China Report



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Key Findings

PwC's 29th Annual Global CEO Survey interviewed 4,454 business leaders across 95 countries and territories from September to November 2025, including 216 from the Chinese Mainland and 54 from Hong Kong SAR. The surveyed companies primarily range in size from \$50 million to \$1 billion in revenue, spanning multiple sectors such as industrial manufacturing, healthcare, consumer goods, energy, private equity, financial services, as well as technology, media, and telecommunications (TMT).

Chinese CEOs (in the Chinese Mainland and Hong Kong SAR) have raised their expectations for global economic growth for the third consecutive year, with

67% anticipating significant growth improvement over the next 12 months, above the global average of 61%.

China continues to be a key investment destination for global CEOs, with the proportion favouring it rising from 9% to

11% worldwide. More than one-fifth of CEOs surveyed in Indonesia, South Korea, Germany, and other countries ranked the Chinese Mainland among their Top 3 overseas investment destinations.

Enhancing innovation capability has become the top priority for Chinese CEOs:

nearly half regard innovation as a critical component of their overall business strategy, with cross-sector innovation and lean iteration seen as key drivers in turning innovative initiatives into financial returns.

AI adoption in Chinese enterprises has entered a phase of positive revenue impact:

52% report that AI applications have driven revenue growth, significantly higher than the global average of 29%.

There are notable differences in market agility: **44%** of enterprises in the Chinese Mainland demonstrate strong supply-side resilience, markedly above the global average of 28%. Hong Kong-based firms show high demand-side responsiveness, with only 6% indicating they lack the ability to cope with demand fluctuations.

Chinese companies express strong confidence in their operational

performance: **nearly half** of CEOs are highly satisfied with performance in areas such as demand generation, technology implementation and support, and back-office service efficiency—well above the global average.

Chinese enterprises stand out in corporate social responsibility, showing awareness levels on AI safety and climate change impacts

that are nearly **10** percentage points higher than the global average.



For a long time, the Chinese economy plays a core role of driving global growth, consistently contributing over 30% to worldwide economic growth. In 2025, it achieved a steady annual GDP growth rate of 5%, demonstrating strong resilience and robust internal momentum. As China enters the pivotal starting phase of the 15th Five-Year Plan (2026–30), the strategic planning and practical explorations of Chinese enterprises in this new development stage are drawing significant global attention.

PwC’s Annual Global CEO Survey has now reached its 29th edition. This year’s survey focuses on key dimensions including business growth confidence, AI technology adoption, strategic investment planning, innovation system development, and organisational resilience. Its core objective is to uncover the underlying logic behind corporate growth amid global transformations and provide forward-looking insights and guidance for high-quality development.

Key findings from this year’s China Report reveal that Chinese enterprises are proactively breaking through challenges by deepening innovation practices, accelerating the implementation of AI technologies, and strengthening risk management systems. They have already taken a leading position in embracing and applying AI, accumulating rich practical experiences. Looking ahead to the new phase of the 15th Five-Year Plan, the ability of enterprises to overcome bottlenecks and achieve both qualitative improvement and quantitative growth will hinge on striking the right balance between “innovation breakthroughs” and “risk control”. Companies are suggested to leverage AI as a core driver to cultivate New Quality Productive Forces, accelerating transformation in technology integration, business innovation, and organisational upgrading. At the same time, they need to integrate AI safety, data privacy protection, and technological transparency into their strategic core to build a resilient foundation for sustainable development.

Looking ahead, AI—as a transformative technology—will profoundly reshape global industrial boundaries, reconfigure resource allocation, and redefine value creation models, becoming a defining inflection point of the era. PwC China will remain deeply rooted in the Chinese market, closely aligned with the direction of the 15th Five-Year Plan, supporting enterprises through economic cycles and contributing enduring Chinese strength to global economic growth.



AI is no longer just a technological tool; it has become essential infrastructure for companies to build future competitiveness. We have supported many Chinese clients on their AI transformation journeys, witnessing their transition from exploration to value realisation. According to the survey, 17% of Chinese CEOs have already achieved both cost reduction and revenue growth by using AI, which is ahead of the global average. This practical experience creates replicable pathways for local businesses, and demonstrates the capability of Chinese AI to the rest of the world.

Hemione Hudson

Chair and CEO of PwC China

01

Confidence in Development and Challenges



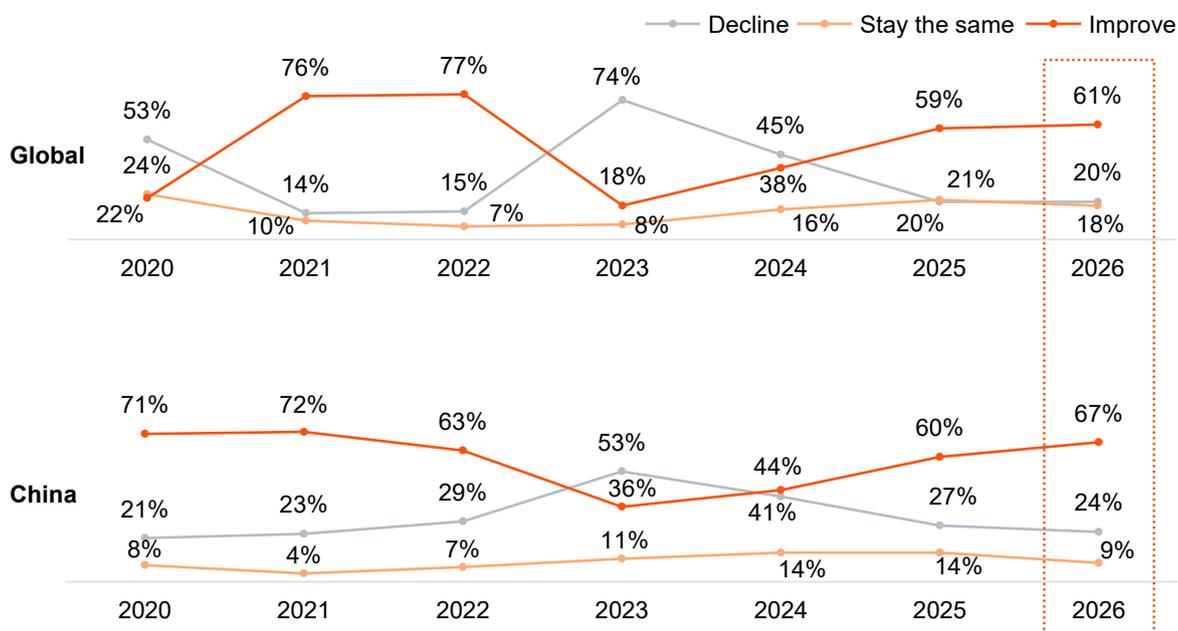
Business leaders' outlook on the future has drawn significant attention. Surveys on business confidence in the Chinese Mainland and Hong Kong reveal optimism regarding macroeconomic growth, while also reflecting the real pressures of short-term operations. The coexistence of macro-level optimism and micro-level stress, along with the interplay between long-term certainty and short-term anxiety, not only vividly illustrates the economy's resilience amid challenges but also outlines the core direction for businesses to navigate economic cycles and drive sustainable growth.

Confidence in Global Economic Growth

Against the backdrop of a gradually recovering global supply chain and the initial signs of effectiveness from accommodative policies in major economies, CEOs in China (including both the Chinese Mainland and Hong Kong) have expressed notably optimistic views on the global economic growth outlook.

Survey results show that more than two-thirds of Chinese CEOs (67%) expect global economic growth to continue accelerating over the next 12 months—a level of confidence significantly higher than the global average of 61%. Notably, Chinese CEOs have raised their expectations for global economic growth for three consecutive years, and since 2023, the proportion expressing optimism has consistently outpaced the global average. This confidence stems not only from China's 5% annual GDP growth in 2025 and its positive spillover effects on global recovery but also reflects Chinese enterprises' proactive assessment of trends such as vibrant global technological innovation, a rebound in trade, and rising demand in emerging markets.

CEOs' prediction on the global economic growth¹



¹ Unless otherwise stated, most analytical results in this report exclude "Don't know/Prefer not to answer" responses. Some results include "Don't know" responses, though these are not displayed in the charts and have been proportionally adjusted in the data. Due to rounding, some percentages may not sum precisely to 100%. The terms "Chinese enterprises" or "Chinese CEOs" refer collectively to respondents from the Chinese Mainland and Hong Kong; unless specifically noted, all data represent combined figures.

Rebounding Confidence in Local Economic Growth

Chinese CEOs have demonstrated a counter-cyclical rise in confidence regarding local economic growth in 2026, standing in contrast to the slight global decline in sentiment—highlighting the resilience of China’s economy.

Among them, Chinese Mainland CEOs’ confidence in economic growth over the next 12 months has modestly increased from 42% in 2025 to 44%, reflecting entrepreneurs’ recognition of the mainland economy’s underlying resilience. Confidence among Hong Kong CEOs rose even more significantly, surging from 40% in 2025 to 61%—substantially outpacing the global average.

China’s achievement of its 5% GDP growth target in 2025, supported by dual drivers of industrial upgrading and technological innovation, has provided businesses with greater certainty. Meanwhile, as an international financial hub, Hong Kong led the world in capital market fundraising in 2025, reaffirming its global appeal. The survey also reveals that Hong Kong CEOs are particularly attuned to signs of recovery in mainland consumer spending and the rebound in cross-border trade and investment. Moreover, deepening collaboration between the Chinese Mainland and Hong Kong in science and technology innovation and services has further bolstered business confidence.

Looking ahead, the synergistic model combining Chinese Mainland market resilience and Hong Kong’s advantages as an international hub will not only serve as a “ballast stone” for business confidence in both regions but also reinforce China’s role as a “stabiliser” for the global economy amid ongoing volatility.



Business Revenue Faces Certain Challenges

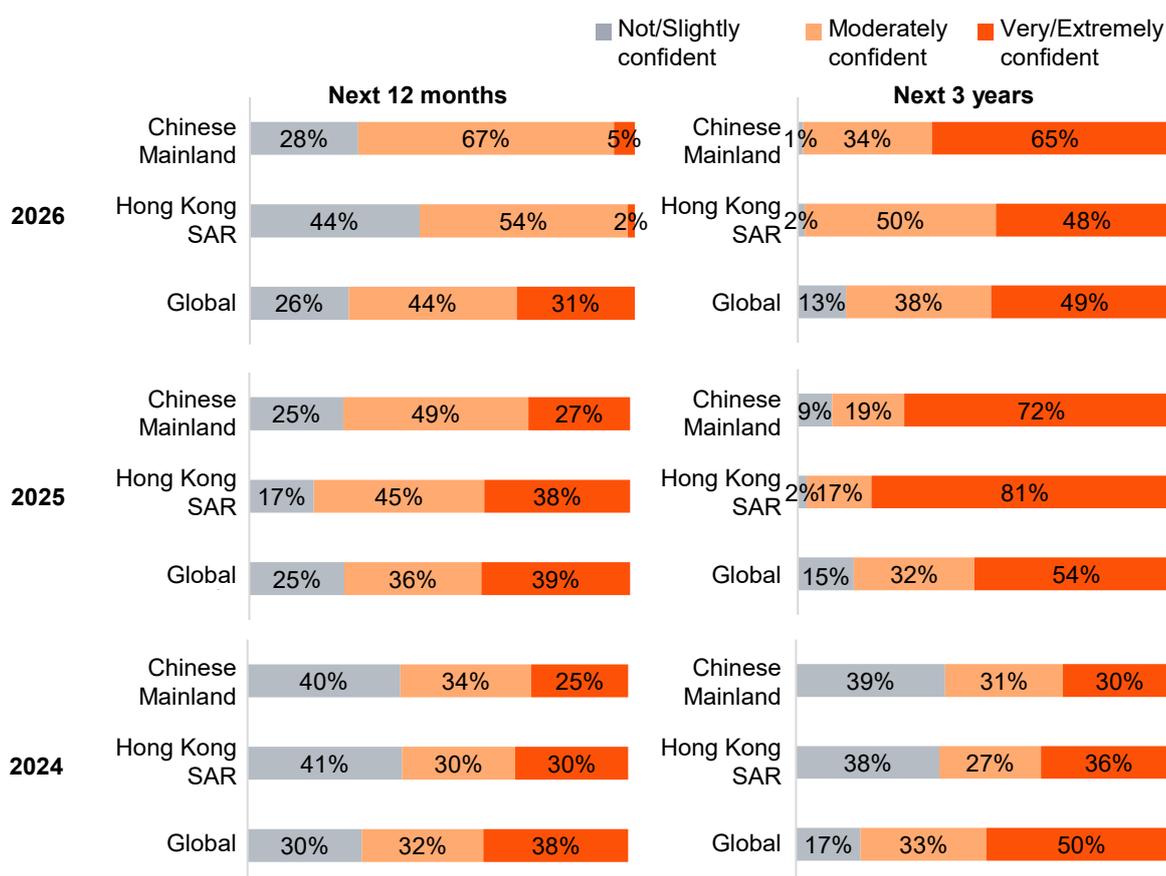
Despite the rebound in Chinese CEOs' confidence in local economic growth, their confidence in their own revenue growth remains cautious.

In the short term—over the next 12 months—the proportion of Chinese Mainland and Hong Kong CEOs expressing they are “very” or “extremely confident” about expected revenue growth is significantly below the global average and has declined compared to historical data from 2024 and 2025. This reflects a generally cautious outlook among businesses regarding near-term profitability.

However, looking further ahead—at the three-year horizon—there are signs of improvement in the confidence structure: among surveyed Chinese Mainland and Hong Kong CEOs, the combined share reporting they are either “moderately confident”, “very confident”, or “extremely confident” exceeds 95%, surpassing the global average of 87%. This underscores strong recognition of the long-term resilience of the Chinese market.

This pattern is not unique to China. Major economies such as the United States, Germany, Brazil, and the United Kingdom exhibit a similar divergence: business leaders express greater optimism about both global and local economic growth than about their own companies' revenue prospects. This gap between macro-level optimism and micro-level caution stems from two key factors. First, it reflects businesses' trust in—and expectations of—macroeconomic policymakers and governance institutions. Second, it arises from asymmetric failures in information transmission within the business environment: during the process of interpreting signals, entrepreneurs tend to internalise systemic risks excessively, which may dampen the effectiveness of positive policy or market incentives.

CEOs' confidence in the company's revenue growth over the next 12 months and 3 years



Heightened Risk Perception

Global CEOs' risk assessments in the latest survey further corroborate the aforementioned trends: over the past three years, their perceived exposure to risks—including macroeconomic volatility, inflation, cyber threats, and geopolitical conflicts—has risen to varying degrees. Chinese CEOs not only face the same global challenges but also consistently report a higher intensity of risk perception than the global average, reflecting persistently growing anxiety.

According to the survey data, cyber risk has surged to the top concern in 2026. A striking 48% of mainland CEOs and 56% of Hong Kong CEOs identified it as a high-exposure risk—a significant jump from 2025—highlighting that, amid deepening digital transformation, corporate attention to data security and system resilience has reached unprecedented levels. Although the rankings of inflation and macroeconomic volatility have shifted somewhat, both remain core concerns for more than 40% of CEOs in the Chinese Mainland and Hong Kong, underscoring the ongoing impact of global demand uncertainty and pricing pressures.

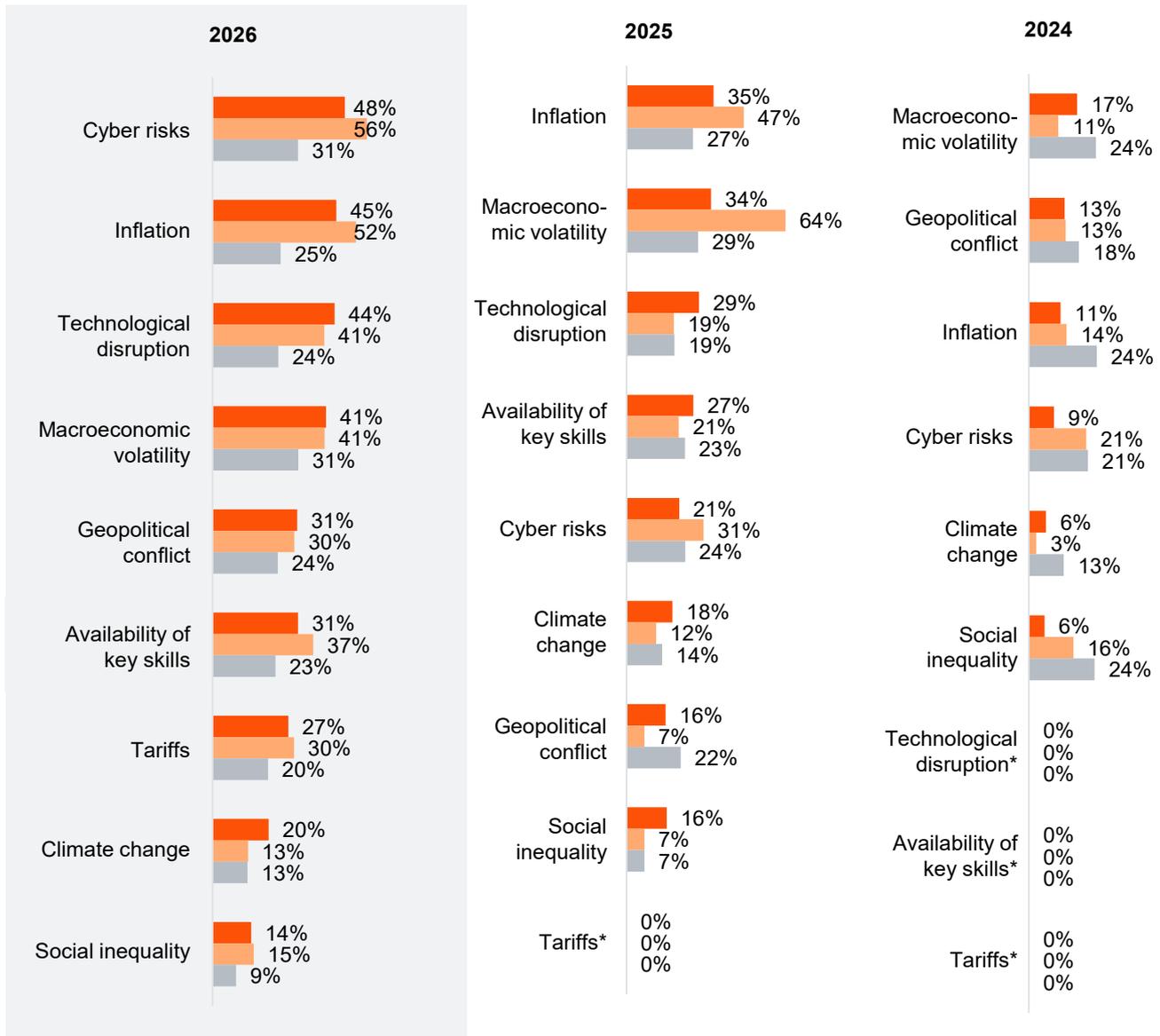
Meanwhile, disruptive technological change has emerged as a new source of anxiety: 44% of mainland CEOs and 41% of Hong Kong CEOs regard it as a major challenge—an assessment closely aligned with today's reality of intensifying cross-industry competition and accelerating technological iteration, revealing deeper concerns about fundamental shifts in industry structures.

This evolving risk landscape is compelling businesses to strike a strategic balance between “short-term shock resistance” and “long-term resilience”. On one hand, companies bolster cash flow management and optimise supply chains to mitigate macroeconomic turbulence and security-related disruptions. On the other hand, they need to intensify investment in R&D and talent development to address the long-term challenges posed by disruptive innovation. Achieving this dual focus is precisely the central imperative for enterprises navigating economic cycles successfully.



CEOs' assessment of the level of significant risks the company faces in the next 12 months (showing only "high + very high" exposure results)

Chinese Mainland Hong Kong SAR Global



Note: * indicates that the option is not applicable for the year.

The Financial Impact of Tariffs Will Persist

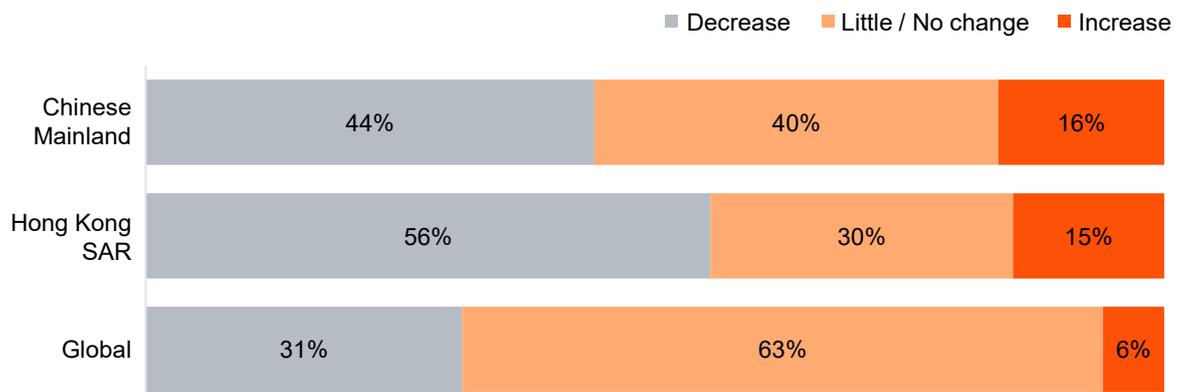
Tariff volatility has become a significant source of uncertainty in the global economy, and Chinese enterprises are experiencing notable financial repercussions as a result.

CEOs in Hong Kong exhibit heightened sensitivity: 56% anticipate that tariffs will reduce their company's net profit margin over the next 12 months—a figure not only higher than that for the Chinese Mainland (44%) but also substantially above the global average (31%). As a highly trade-dependent international hub, Hong Kong's economy is deeply integrated into global supply chains; thus, changes in trade barriers, such as tariffs, directly affect key sectors including trade and finance, significantly impacting corporate profitability.

Mainland enterprises face similar pressures: 44% of mainland CEOs expect tariff-related declines in net profit margins—again exceeding the global average—reflecting the structural characteristics of Chinese Mainland manufacturing and export-oriented industries, as well as the cost pressures arising from ongoing global trade tensions.

At the same time, approximately 15% of CEOs in the Chinese Mainland and Hong Kong believe tariffs have actually increased their profits. These companies may benefit from strong pricing power enabling cost pass-through, optimised re-export and offshore trading structures, or strategic alignment with policies that facilitate compliant profit realisation.

The impact of tariffs on the company's net profit margin





Insights for Development

In the face of dual dynamics—global economic volatility and deepening regional collaboration—businesses and governments are expected to work in concert, guided by a core strategy of “enhancing short-term shock resistance, building long-term resilience, and strengthening domestic-international synergy” to systematically address emerging challenges.

For enterprises, the top priority is to establish a strategic framework that dynamically balances short- and long-term cycles. In the short term, companies can focus on cash flow management and risk containment—deploying measures such as supply chain diversification and enhanced cybersecurity—to mitigate shocks from tariffs, macroeconomic fluctuations, and other disruptions, thereby safeguarding baseline profitability. Over the longer term, they need to anchor their strategies in the opportunities presented by China’s rising domestic demand and the dividends of New Quality Productive Forces. Leveraging the synergistic model of Chinese Mainland market resilience and Hong Kong’s advantages as an international hub, businesses are expected to intensify R&D investment, expand ecosystem partnerships, and strategically allocate resources across both Chinese and global markets to cultivate growth capabilities through economic cycles.

For governments, the central objective is to foster an institutional environment that “stabilises expectations and empowers growth”. On one hand, this entails sustained policy support and continuous improvements in the business climate to reinforce economic resilience, unlock domestic demand potential, and bolster corporate confidence in long-term prospects. On the other hand, governments are expected to actively engage in global trade and economic governance—advancing multilateral cooperation to alleviate tariff and geopolitical risks—and enhance cross-border security coordination to create a safer external operating environment for businesses.



An optimistic macroeconomic outlook is grounded in the effective implementation of corporate strategies at the micro level and further reinforced by close collaboration between government and business, creating a virtuous cycle of “institutional foundations and enterprise-driven action”. We will fully leverage our global network and professional think-tank capabilities—combining a global perspective with deep local insights—to provide comprehensive support for the implementation of macroeconomic policies, the upgrading of corporate strategies, and the cultivation of New Quality Productive Forces. In doing so, we aim to contribute meaningfully to China’s high-quality economic development and advance shared prosperity through enhanced global cooperation.

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Head of Public Affairs, PwC China

02

Optimising the Structure of Two-Way Investment



As geopolitical uncertainty becomes increasingly normalised, proactively managing geopolitical risks has become an essential imperative for globally oriented enterprises. Companies across different regions are adopting diverse strategies and tailored approaches, collectively shaping a new blueprint for building international networks in this next phase of globalisation.

Proactively Managing Geopolitical Risks

Addressing geopolitical risks fundamentally tests a company's capabilities in global operations and risk management.

Enterprises in the Chinese Mainland and Hong Kong exhibit a distinct approach characterised by “greater proactiveness and more pragmatic strategies”. Across the five surveyed measures for responding to geopolitical risks, the proportion of Chinese companies selecting “limited extent” was significantly lower than the global average—highlighting a clear strategic preference for active defense.

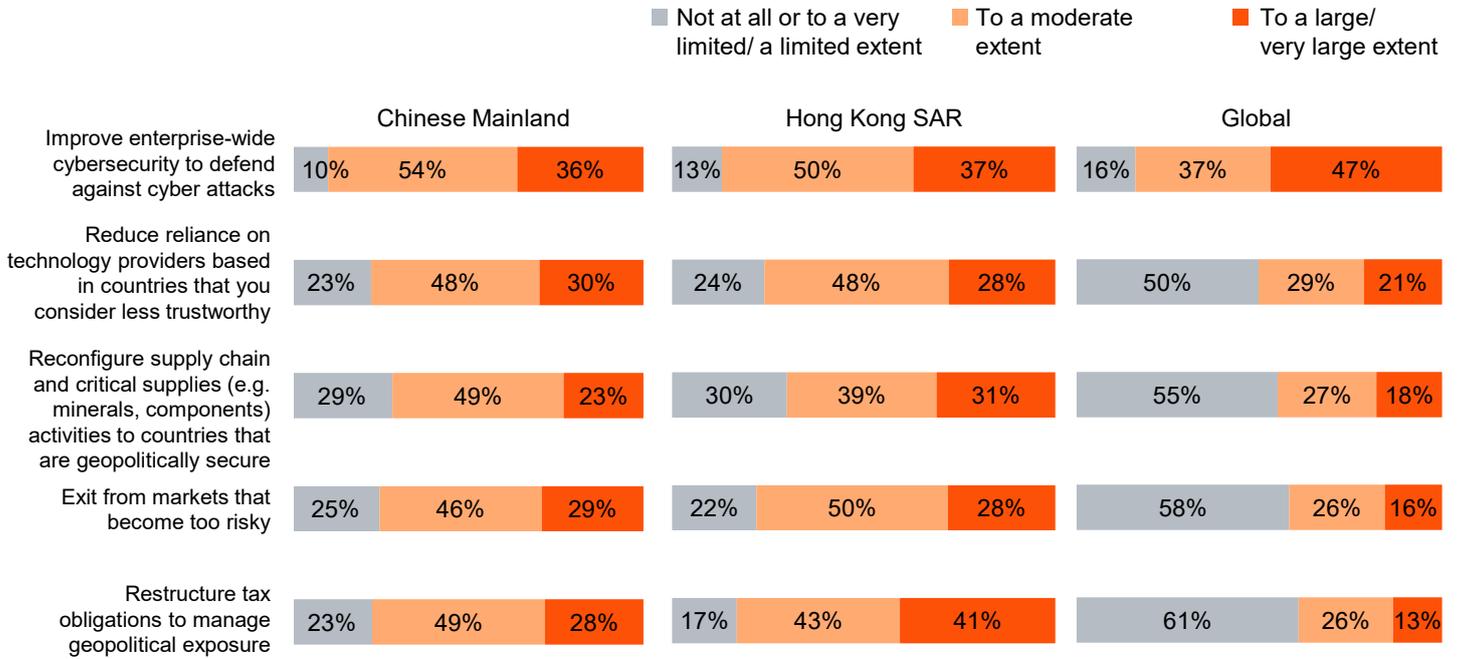
Cybersecurity remains a top concern among CEOs. However, the share of Chinese Mainland (36%) and Hong Kong (37%) CEOs who reported implementing cybersecurity enhancements to a “high extent” is notably below the global average (47%). This indicates that while Chinese enterprises fully recognise the urgency of strengthening cybersecurity, there remains room for improvement in terms of substantial resource allocation and advanced technological upgrades.

Hong Kong demonstrates a unique advantage in tax flexibility: 41% of Hong Kong CEOs reported adopting tax optimisation measures to a “high extent”—far exceeding the Chinese Mainland (28%) and the global average (13%) by more than threefold. This reflects how Hong Kong's mature tax regime and sophisticated capital management capabilities enable businesses to flexibly mitigate geopolitical risks through strategic tax planning, underscoring the distinctive resilience of Hong Kong as an international financial hub.

Regarding the strategy of “exiting markets with excessive risk”, Chinese enterprises have adopted a notably more aggressive stance than their global peers. While only 16% of global respondents indicated they would consider market exits to a “high extent”, the figures for the Chinese Mainland and Hong Kong stand at 29% and 28%, respectively—significantly above the global average. Although this approach allows for rapid risk isolation, it may also entail higher sunk costs and losses from market withdrawal, necessitating a more nuanced balance between risk mitigation and operational cost efficiency.



The measures CEOs plan to take over the next 3 years to address potential geopolitical risks



Renewed Enthusiasm for Investing in China

Global investment sentiment intentions are on the rise, with capital increasingly flowing toward regions that offer a powerful combination of four key advantages: a favourable business environment, cutting-edge technology capabilities, a vibrant innovation ecosystem, and a robust consumer market. The United States, China, Germany, India, and the United Kingdom remain the Top 5 global investment destinations—a ranking that has held steady for several years.

Notably, Chinese Mainland investment appeal has rebounded against the broader trend, re-emerging as a critical anchor in global capital allocation strategies. This year's survey shows that the share of global CEOs ranking the Chinese Mainland among their Top 3 investment destinations rose from 9% in 2025 to 11%.

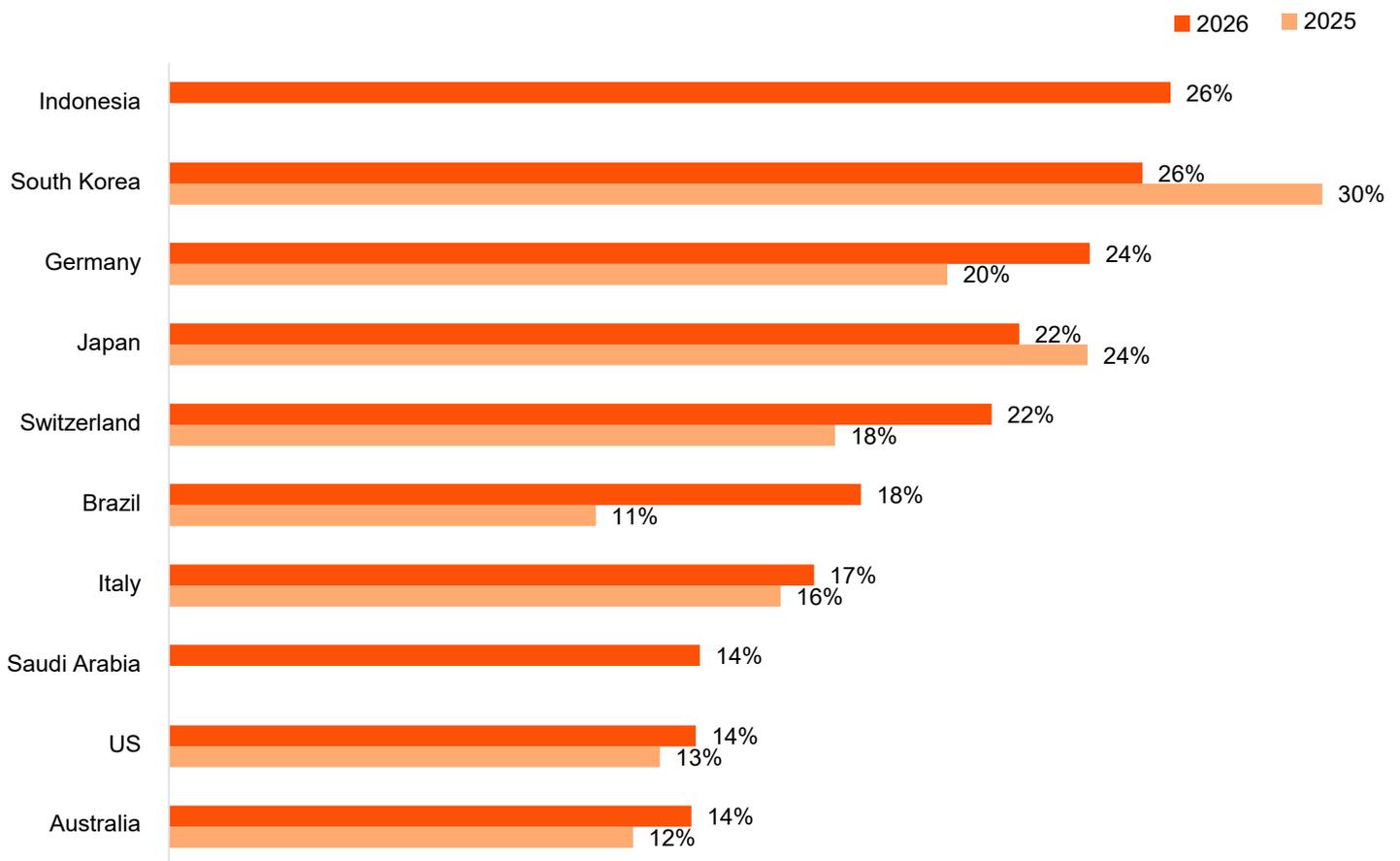
Investment interest from major economies in the Chinese Mainland is broadly on the rise. Compared to 2025, countries such as the United States, Canada, Brazil, and Germany have all shown increased willingness to invest in the Chinese Mainland. Emerging economies are exhibiting even stronger momentum—Indonesia, for example, recorded a particularly sharp increase. Among countries with the highest stated investment intent toward the Chinese Mainland are Indonesia (26%), South Korea (26%), Germany (24%), Japan (22%), and Switzerland (22%). Although South Korea and Japan saw slight declines compared to last year, more than one-fifth of enterprises in both countries still rank the Chinese Mainland among their Top 3 investment priorities—clearly affirming the Chinese Mainland as a strategically important market in their corporate outlooks.



By sector, 14% of global CEOs in industrial and services sectors now list China Mainland among their Top 3 investment destinations—an increase of one percentage point from last year. The energy, utilities, and resources sector follows closely, with its share rising from 10% to 13%. Investment interest in the consumer sector remained stable year-over-year. With the exception of the healthcare sector—which declined slightly by one percentage point—most other industries reported higher CEO investment intent toward the Chinese Mainland compared to the previous year.

This renewed investment momentum stems not only from China's enduring role as a central engine of global economic growth but also from the tangible benefits of recent opening-up policies, such as expanded visa-free transit arrangements. These measures have enabled more international executives to experience firsthand China's vast consumer market potential, its comprehensive industrial supply chains, and its highly efficient innovation ecosystem.

Key countries and the proportions ranking the Chinese Mainland among the top 3 investment destinations



Note: Indonesia and Saudi Arabia are not shown due to the small sample size in 2025.

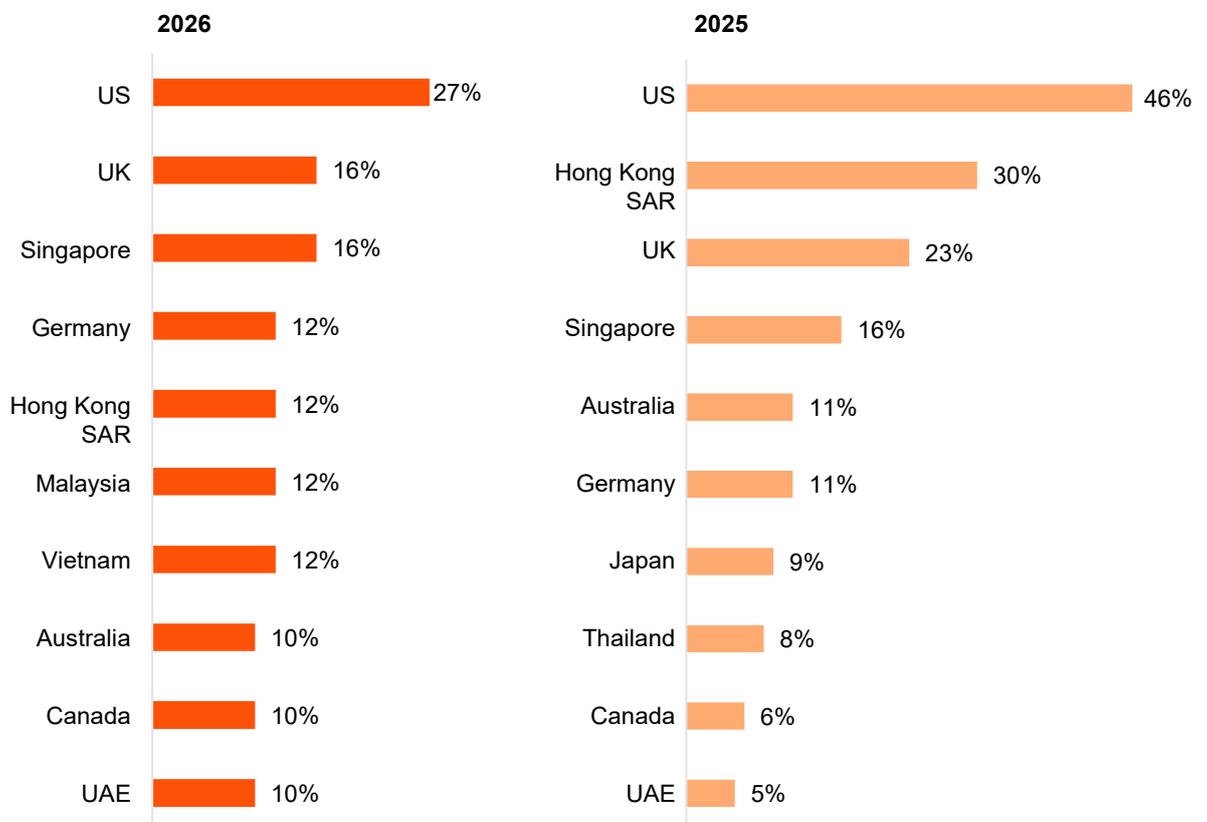
Diversified and Balanced Global Expansion

Chinese enterprises' overseas investment has entered a new phase—shifting from “scale-driven expansion” to “quality-focused advancement”. The survey reveals that Chinese Mainland companies are moving away from reliance on a single dominant market toward a more diversified and balanced geographic footprint, reflecting a more rational and resilient approach to global deployment.

New overseas destinations are emerging, and regional allocation is becoming increasingly well-rounded. The United States remains the top investment destination, while Singapore and the United Kingdom are now tied for second place. Meanwhile, investment interest in Germany, Hong Kong, and Malaysia has each surpassed 10%, indicating that companies are actively broadening their presence across Southeast Asia and Europe.

This strategic diversification—deliberately reducing exposure to high-risk markets—is not merely a short-term tactical adjustment but a clear sign of the maturing globalisation capabilities of Chinese enterprises. By proactively leveraging Southeast Asia's robust supply chain infrastructure and cost advantages, and systematically entering European markets, Chinese companies are building a more resilient and synergistic global industrial network.

Chinese Mainland companies' overseas investment destinations over the next 12 months



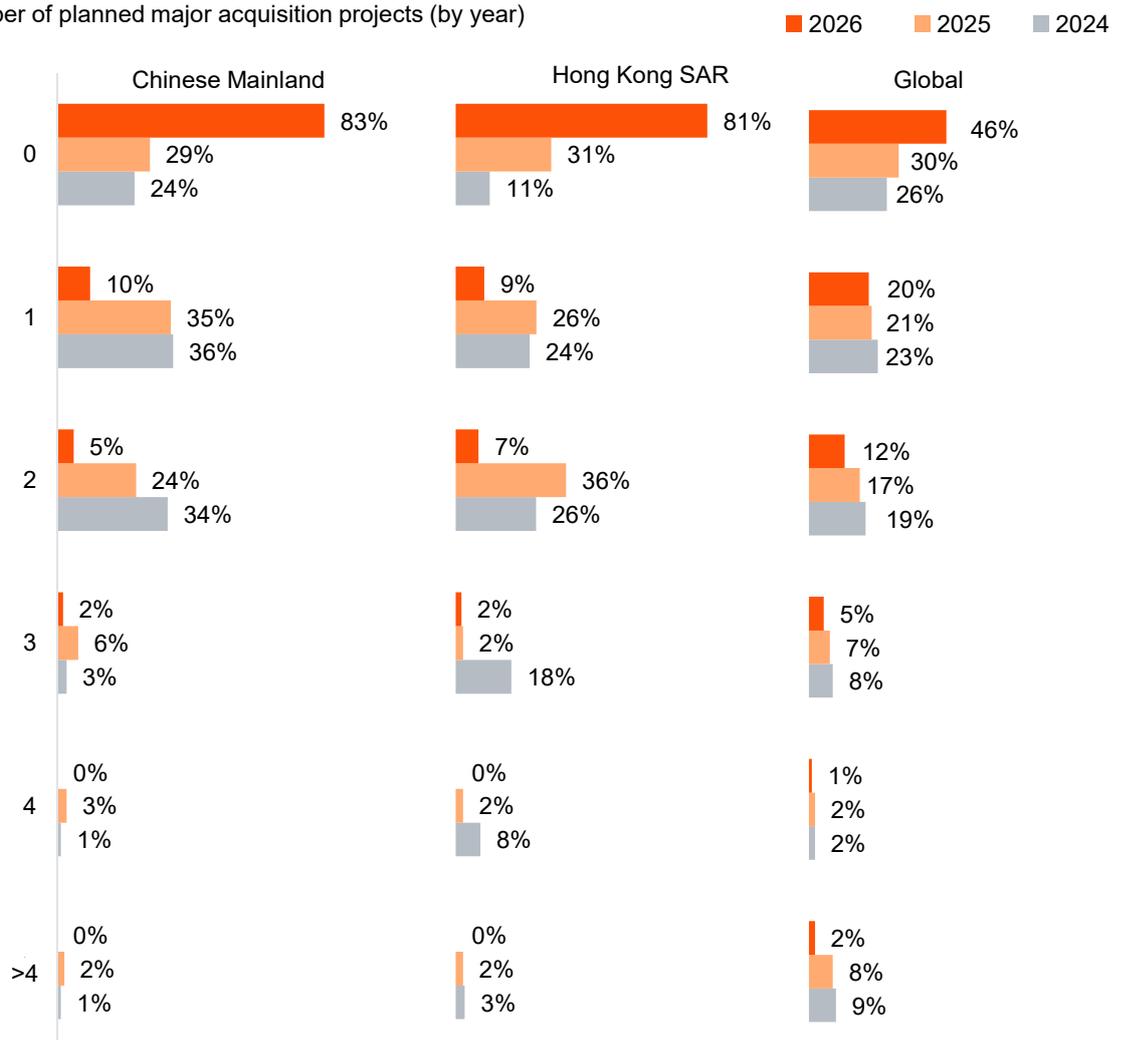
Cautious Approach to Major M&A

Amid elevated financing costs, tightening regulatory scrutiny, geopolitical disruptions, and valuation gaps, global CEOs have significantly scaled back their appetite for major mergers and acquisitions (M&A)—with Chinese CEOs exhibiting even greater caution. This reflects not only a rational response to heightened uncertainty but also signals a strategic shift from “aggressive expansion” to a new phase of “prudent defense”.

Regarding large-scale M&A intentions, Chinese enterprises have markedly pulled back. More than 80% of CEOs in the Chinese Mainland and Hong Kong plan to refrain from any major acquisitions over the next three years—a figure far exceeding the global average and representing a clear acceleration of the retrenchment trend observed since 2024 and 2025. In contrast, 40% of companies globally still intend to pursue at least one major deal, with developed economies such as the United States (56%) and the United Kingdom (46%) maintaining relatively robust M&A appetites.

Frequency of major acquisitions planned over the next 3 years (with transaction amount exceeding 10% of the company’s assets)

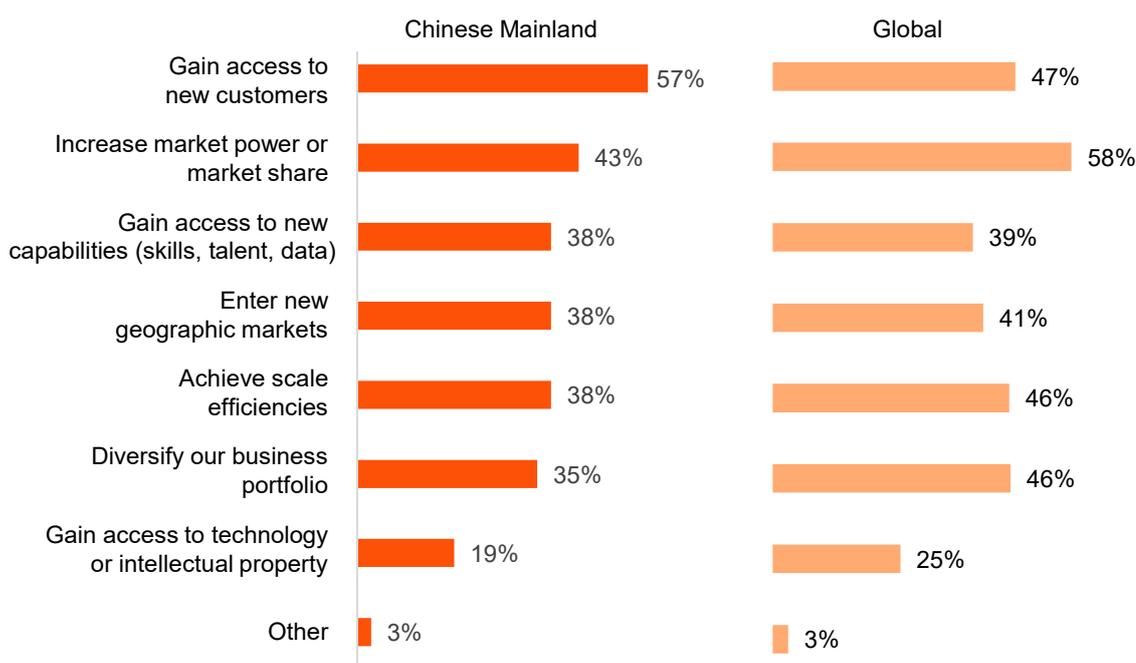
Number of planned major acquisition projects (by year)



Regarding the direction of M&A, Chinese Mainland companies are focusing on their core businesses while gradually diversifying their global presence. Among the few mainland enterprises that plan to undertake M&A, 73% of the transactions are concentrated within their own business sectors, with only 27% involving cross-industry M&A. In contrast, global enterprises engage in cross-industry M&A at a rate of 46%, with some companies even planning 100% cross-sector acquisitions, demonstrating a stronger demand for business diversification and risk mitigation.

From the perspective of M&A motivations: For Chinese Mainland enterprises, “acquiring new customers” (57%) is the most critical driver, followed by “enhancing market influence or market share” (43%) and “gaining new capabilities” (38%). For global enterprises, the primary M&A motivation is “enhancing market influence or market share” (58%), while there is also a more prominent emphasis on “acquiring new customers” (47%) and “diversifying the business portfolio” (46%).

The original intention behind the company’s transactional acquisitions



Note: Hong Kong SAR is not shown due to its small sample size.



Insights for Development

In today's rapidly evolving landscape of global technological revolution and industrial restructuring, enterprises are suggested to proactively optimise their global investment and supply chain footprints. We recommend that, when exploring and deploying global operations, companies carefully balance risks against rewards: while actively seizing growth opportunities from entering new markets and optimising supply chains, they can also prioritise core risk areas—including regulatory compliance, capital security, and local governance—and establish a comprehensive, end-to-end risk management framework. Only by striking this balance between opportunity and risk can businesses achieve sustainable overseas expansion and successfully transition from “breadth-focused expansion” to “depth-driven operations”.

We expect governments to enhance policy coordination and mutual trust to jointly foster a more stable and transparent global and regional investment ecosystem, thereby reducing geopolitical interference in capital flows. At the same time, we expect governments to continue empowering domestic enterprises—by building global risk early-warning and response platforms and providing cross-border support in talent and capital—to strengthen their capabilities in global operations and facilitate deeper integration of Chinese enterprises into global value chains.



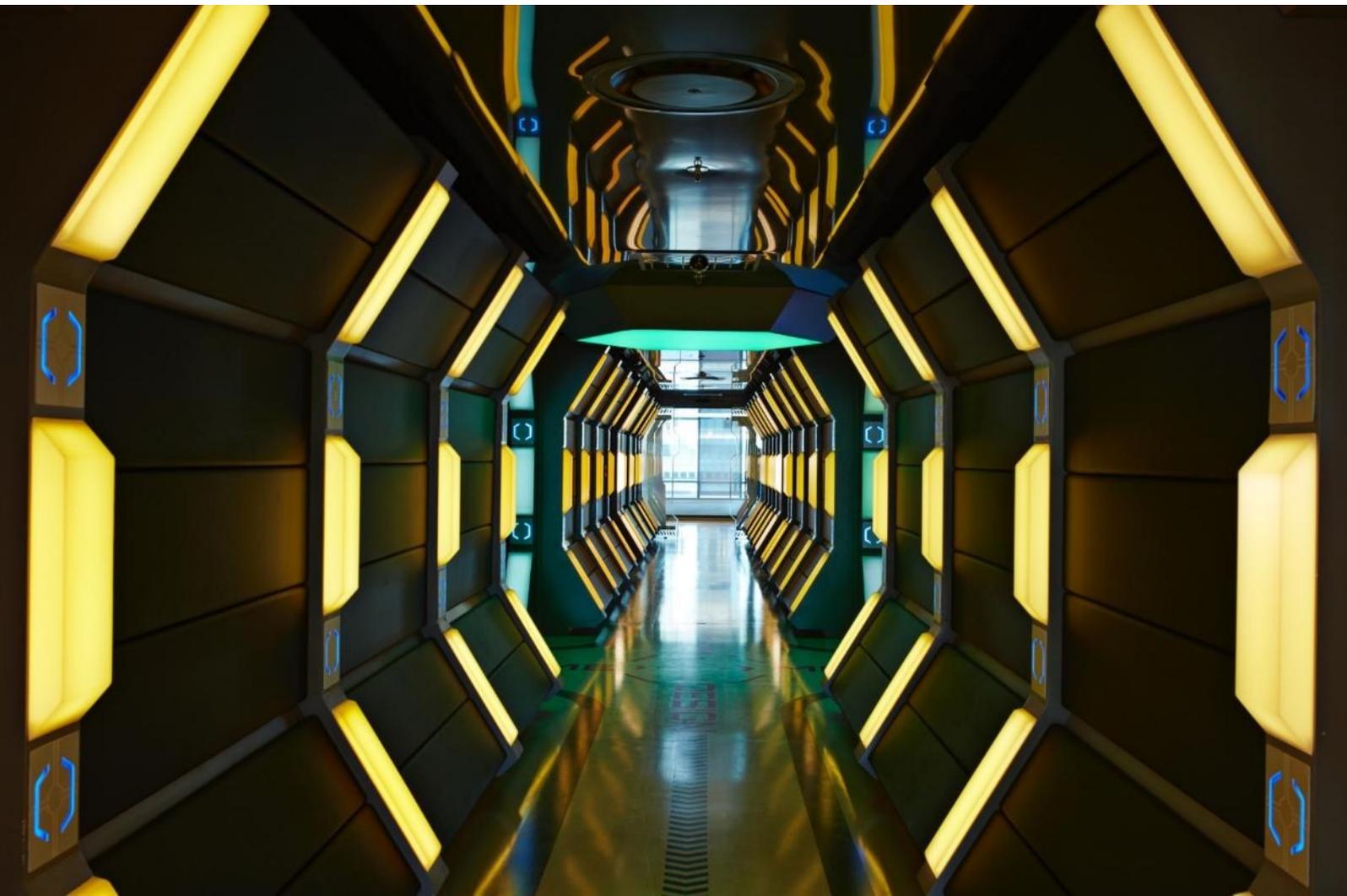
Amid ongoing global industrial realignment and geopolitical shifts, strategic reinvestment and thoughtful globalisation represent the critical pathway for enterprise advancement. Leveraging our extensive global network and on-the-ground experience, we stand ready to help companies build robust global risk response systems, refine cross-border investment strategies, and enhance their capacity for efficient global resource allocation—ultimately enabling high-quality, resilient globalisation.

Linda Cai

Inbound/Outbound Leader, Head of China Corporate Finance,
PwC China

03

Innovation Emerges as the Top Priority



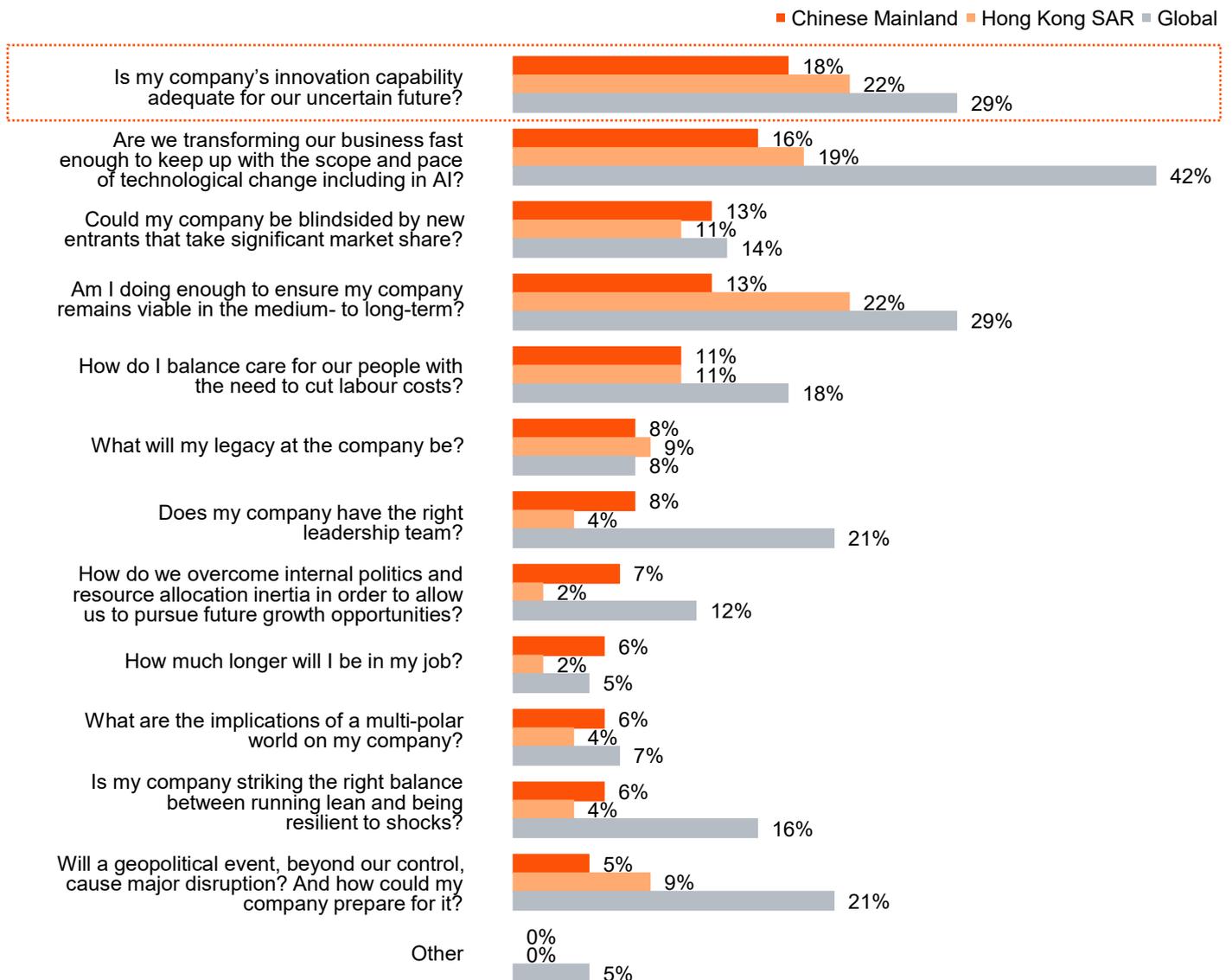
Amid intensifying global tech competition and the accelerating wave of AI-driven transformation, Chinese enterprises have placed innovation at the heart of their strategic agenda and are demonstrating execution intensity that leads the world. However, a significant gap remains between innovation activities and tangible revenue growth—highlighting that the path to breakthrough innovation still requires crossing a critical threshold: from “leading in practice” to “leading in value creation”.

Innovation as the Primary Response to Uncertainty

When asked about their current concerns, Chinese CEOs ranked “innovation” as their top priority. Specifically, 18% of mainland CEOs and 22% of Hong Kong CEOs identified their company’s capacity for innovation—as a means to navigate an increasingly uncertain future—as their foremost worry.

This finding strongly echoes insights from last year’s report: 44% of Chinese CEOs previously indicated that without undertaking significant transformation, their companies would struggle to survive the next decade. Innovation, therefore, has emerged as the critical lever for addressing long-term challenges such as regulatory shifts, supply chain disruptions, and other systemic uncertainties.

Recent topics most concerned by CEOs



Integrating Innovation Across Multiple Dimensions

Against the backdrop of heightened emphasis on innovation, surveyed Chinese enterprises demonstrate stronger execution capabilities and greater pragmatism—their overall pace and intensity of innovation implementation significantly outpacing the global average.

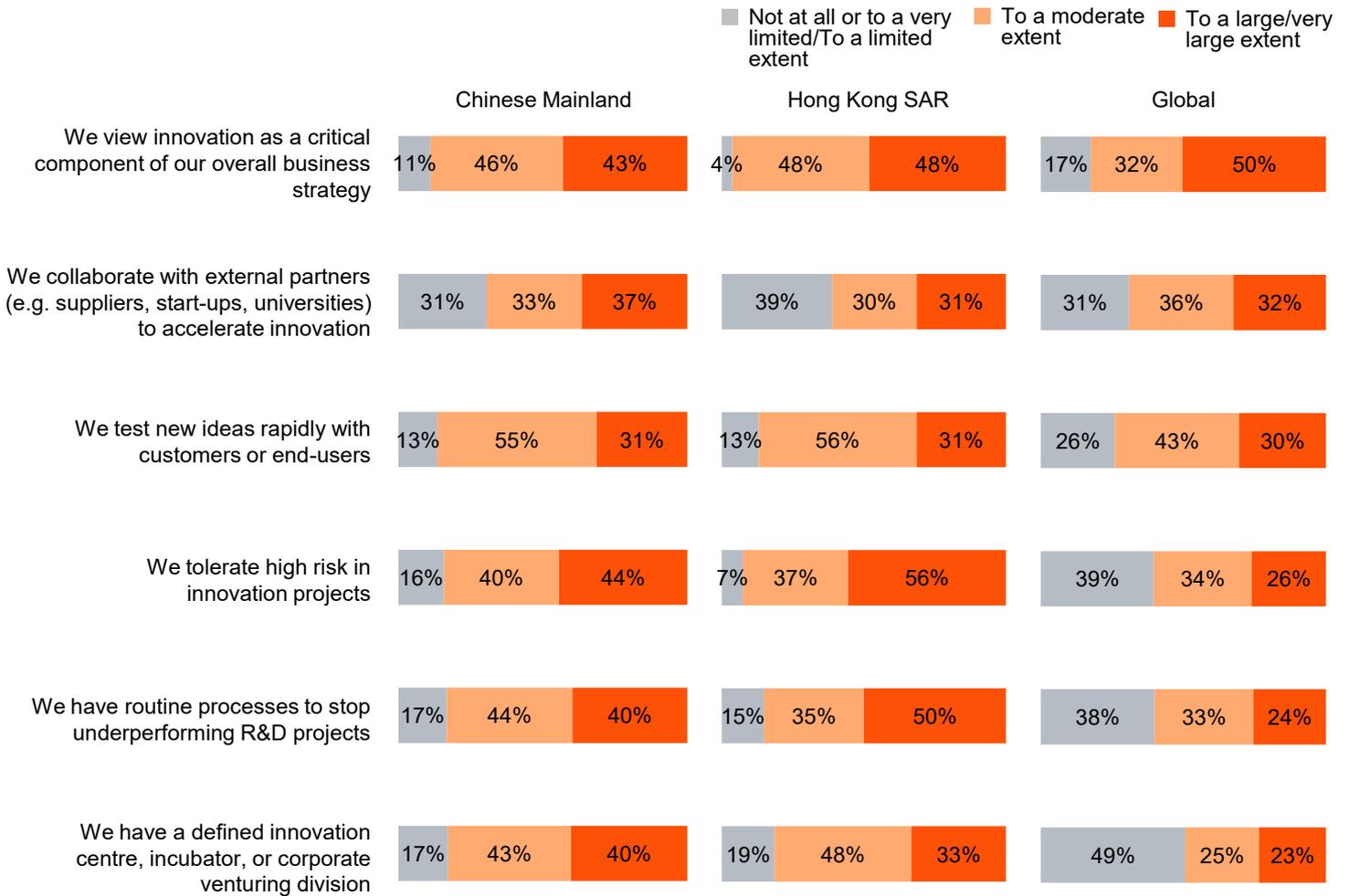
Chinese companies stand out particularly in their tolerance for innovation risk and efficiency in innovation management. They not only adopt a more open attitude toward high-risk innovation initiatives but have also established more mature mechanisms for dynamic R&D portfolio management—proactively terminating underperforming projects when necessary. This agile approach to resource reallocation places them at the forefront globally.

Moreover, Chinese enterprises are notably proactive in building dedicated innovation platforms—such as innovation centers, incubators, and corporate venture capital units—laying a solid organisational foundation for sustained innovation.

Notably, despite their strong performance in innovation execution, Chinese companies still show a modest gap compared to global leaders in formally elevating innovation to the level of a top-tier corporate strategy. In countries like Japan, Canada, France, and India, over 50% of CEOs reported adopting innovation as a core strategic priority to a “high” or “very high” extent. This suggests that while Chinese enterprises excel in implementation, there remains room to further align strategic vision with operational excellence—particularly in embedding innovation at the highest levels of corporate governance.



The adoption level of the company's innovation strategy



Market Agility Driven by Innovation

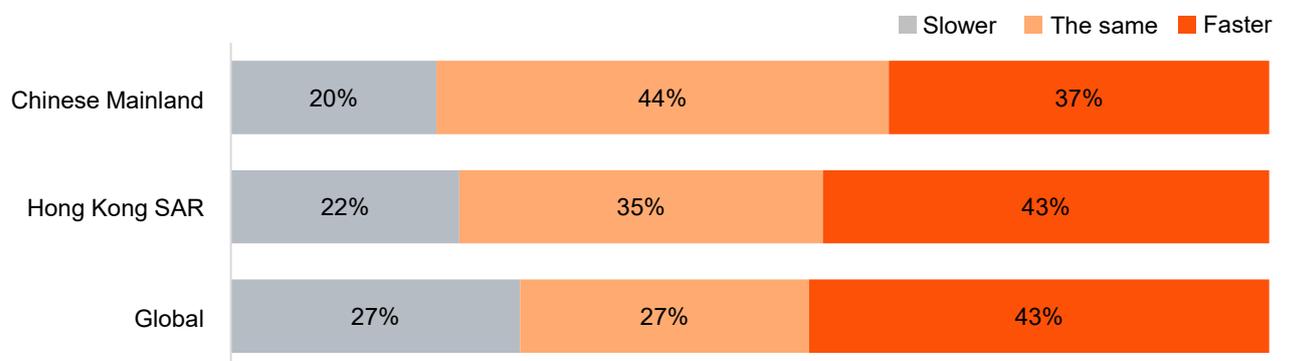
In an era marked by rapid technological advancement and fast-evolving market demands, both Chinese and global enterprises are pursuing agile innovation to accelerate their market responsiveness.

Thirty-seven percent (37%) of Chinese Mainland companies believe they launch new products and services faster than their peers, while in Hong Kong—on par with the global average—43% hold this view. The comparatively lower proportion among mainland firms reflects the intensely competitive innovation landscape in China, where maintaining a faster pace of market response presents a significant challenge.

Globally, corporate agility shows clear divergence: while 43% of companies perceive themselves as faster than competitors, 27% acknowledge they are slower—a gap that underscores widening disparities in innovation efficiency amid technological disruption and geopolitical uncertainty.

At its core, market agility represents a company's critical capability to sense opportunities, make swift decisions, and rapidly reallocate resources. Differences in this capacity directly determine a firm's competitive positioning within fast-moving innovation cycles. Survey data further confirm that factors such as accelerating technology iteration and geopolitical volatility amplify the performance gap between agile and less-responsive organisations—making agility a key driver behind the ongoing, rapid restructuring of the global industrial landscape.

The market response speed of the company in launching new products and services



The Efficiency of Converting Innovation into Revenue Remains to be Improved

Although Chinese enterprises place strong emphasis on innovation, the conversion of innovation outputs into revenue still requires significant improvement. Over the past three years, new products or services launched by Chinese companies have contributed, on average, only 9% to their annual revenue. In terms of distribution, 44% of mainland enterprises report that new product revenue falls within the 1%–9% range—a pattern closely mirrored by Hong Kong-based firms.

By contrast, the global average contribution of new products and services to revenue stands at 20%, with 33% of companies exceeding this threshold. Industries leading in innovation-to-revenue conversion include industrial and business services (26%), consumer markets (22%), and financial services (22%). These high-performing sectors offer valuable benchmarks for Chinese enterprises seeking to upgrade their innovation strategies.

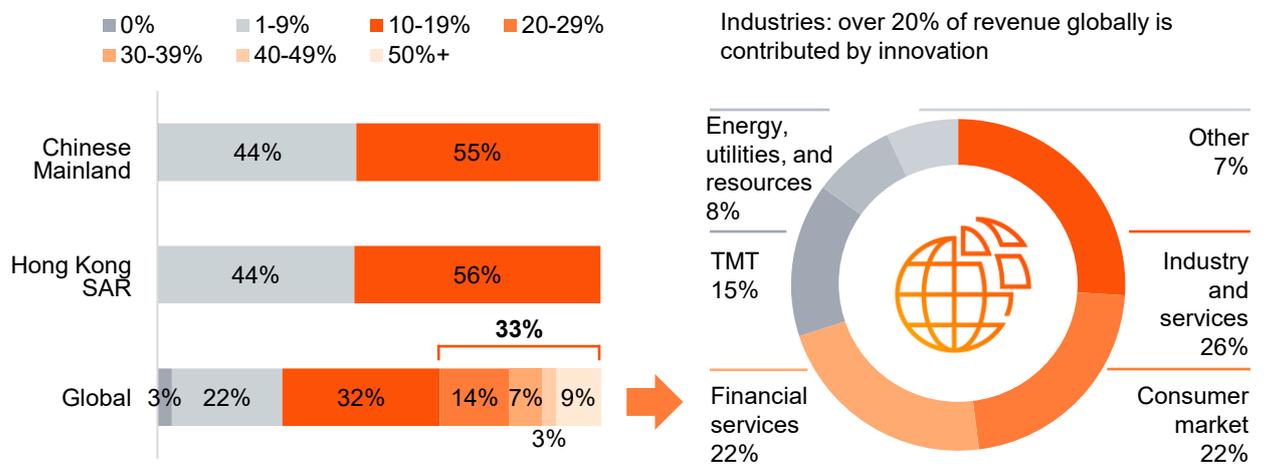
A deeper analysis of high-conversion mainland companies reveals a key success factor: among those achieving over 15% revenue from new products, 75% have established standardised processes to terminate underperforming R&D projects—demonstrating disciplined portfolio management.

Another likely contributor to the relatively low conversion efficiency among the Chinese Mainland and Hong Kong respondents is their conservative stance toward cross-industry innovation. Strikingly, as many as 90% of Chinese enterprises surveyed have no plans to pursue growth through cross-sector expansion—either over the past five years or in the next three—compared to only 40% globally.



Looking ahead, we recommend that enterprises focus on high-conversion innovation domains and adopt a lean innovation approach characterised by “small, rapid steps and fast iteration”. Specifically, companies are suggested to: institutionalise mechanisms to routinely exit low-performing R&D initiatives and strictly control unproductive investments; and move beyond conservative boundaries in cross-industry innovation, concentrating resources on core strategic directions to precisely address the challenge of insufficient revenue conversion from innovation.

The proportion of total revenue this fiscal year derived from new products or services launched in the past 3 years



The average for the Chinese Mainland and Hong Kong is 9%.
The global average is 20%.





Insights for Development

Faced with the imbalance between innovation investment and revenue growth, Chinese enterprises need to seek a dynamic equilibrium between short-term profitability and long-term strategic capability building, steadily advancing their innovation breakthroughs. We recommend establishing a “dual-engine” innovation value loop: while maintaining the advantages of “small, rapid steps and fast iteration”, companies can also leverage strategic M&A to acquire hard-core technologies and scarce capabilities, thereby creating a synergistic model that combines organic R&D and external acquisitions. This approach can effectively close the loop across the full innovation value chain—from technology acquisition and application to commercialisation.

Moreover, enterprises are expected to break down cross-industry barriers by leveraging their inherent agility in market response, actively integrating into broader industry ecosystems, and fostering collaborative innovation to cultivate new growth curves. Through ecosystem-driven synergy, they can expand the boundaries of innovation.

At the same time, companies need to upgrade their innovation governance capabilities—elevating innovation to a top-tier strategic priority—and optimise dynamic mechanisms for R&D resource allocation, performance evaluation, and project exit. Strengthening the management of innovation input-output efficiency will help balance near-term earnings with long-term technological reserves, ensuring that innovation truly becomes the core engine of sustainable growth.



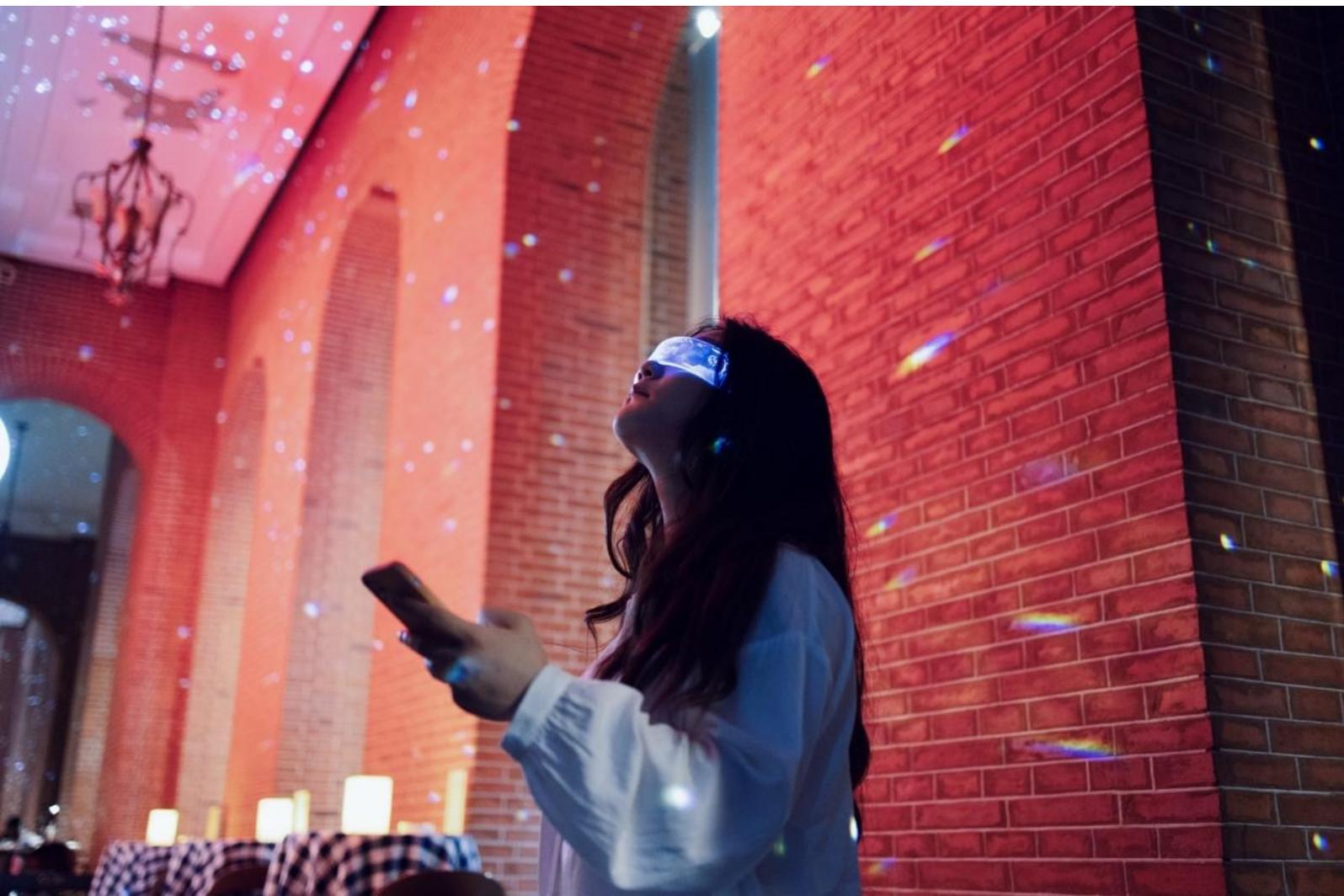
In an era of heightened uncertainty, innovation remains the critical lever for enterprises to navigate disruption and achieve breakout growth—and breaking through cross-sector silos is key. We stand ready to support companies in building an integrated innovation framework that combines “in-house R&D depth, M&A-driven capability integration, and ecosystem co-creation”, transforming innovation into a genuine driver of high-quality, resilient growth.

Horatio Wong

Head of Consulting, PwC China

04

Deepening Application of Artificial Intelligence



As artificial intelligence (AI) technology advances rapidly and accelerates its transition to industrialisation and large-scale deployment in China, it has evolved beyond its original role as a mere technical tool. It has emerged as a pivotal force reshaping the underlying logic of business operations and profoundly influencing the global competitive landscape across industries.

Strategic Concerns Regarding AI Applications

The disruptive impact of AI has elevated the question of whether business transformation can keep up with the scope and pace of technological change (including AI) to the foremost concern for business leaders worldwide. Our survey data show that global CEOs rank this as their top issue, while Chinese CEOs rank it second, with markedly lower levels of concern than the global average. This difference reflects the greater confidence that Chinese business leaders have in their organisations' ability to adapt to rapid technological evolution. This confidence is likely underpinned by two key factors: first, the rapid development of China's domestic AI ecosystem—for example, the accelerated deployment of large-model applications and sustained demand for AI in areas such as intelligent manufacturing and smart city development; and second, the solid foundation of digital transformation experience that Chinese enterprises have already accumulated.

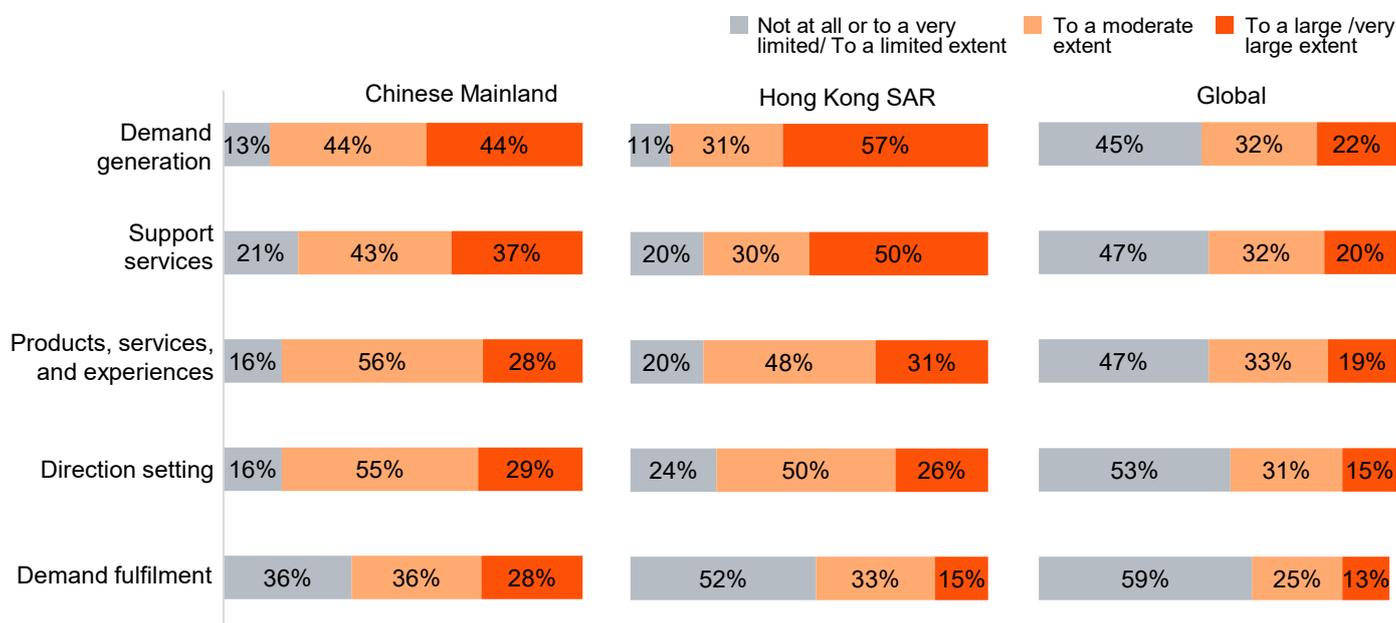


AI Empowering the Entire Value Chain

Currently, AI has become an integral part of core infrastructure for Chinese enterprises, deeply integrated across every stage of the value chain. Survey findings show that Chinese companies exhibit significantly higher rates of AI adoption in five key business domains—demand generation, support services, products/services/experiences, direction setting, and demand fulfilment—compared to the global average. This reflects a shift in perception among Chinese enterprises, viewing AI not merely as an auxiliary tool but as a core growth engine for competitiveness.

When examined by individual domain, demand generation shows the highest penetration, with more than four in ten CEOs reporting AI deployment to a large or very large extent (44% in the Chinese Mainland, 57% in Hong Kong, and only 22% globally). China’s relatively early adoption of consumer-side digitalisation has provided a strong foundation for AI to enhance the front-end value chain, particularly in sales and marketing. Currently, AI is widely deployed in areas such as digital marketing and customer acquisition, where its ability to precisely identify market opportunities and shifts in demand has become a major driver of product innovation. Support services ranks as the next most prominent domain, highlighting Chinese enterprises’ proactive adoption of AI to optimise internal processes in areas like finance, human resources, and legal affairs. Adoption rates in this domain are notably higher in Hong Kong, reflecting the region’s mature ecosystem in finance, technology, and services, which generates strong demand for high-efficiency operational tools.

Extent of AI application across various business functions in the company



Note: Demand generation (e.g. sales, marketing, customer service); support services (e.g. finance, legal, HR, tax); products, services, and experiences (e.g. direct integration into our offerings); direction setting (e.g. strategy, annual planning, corporate review); demand fulfilment (e.g. supply chain, manufacturing, logistics)

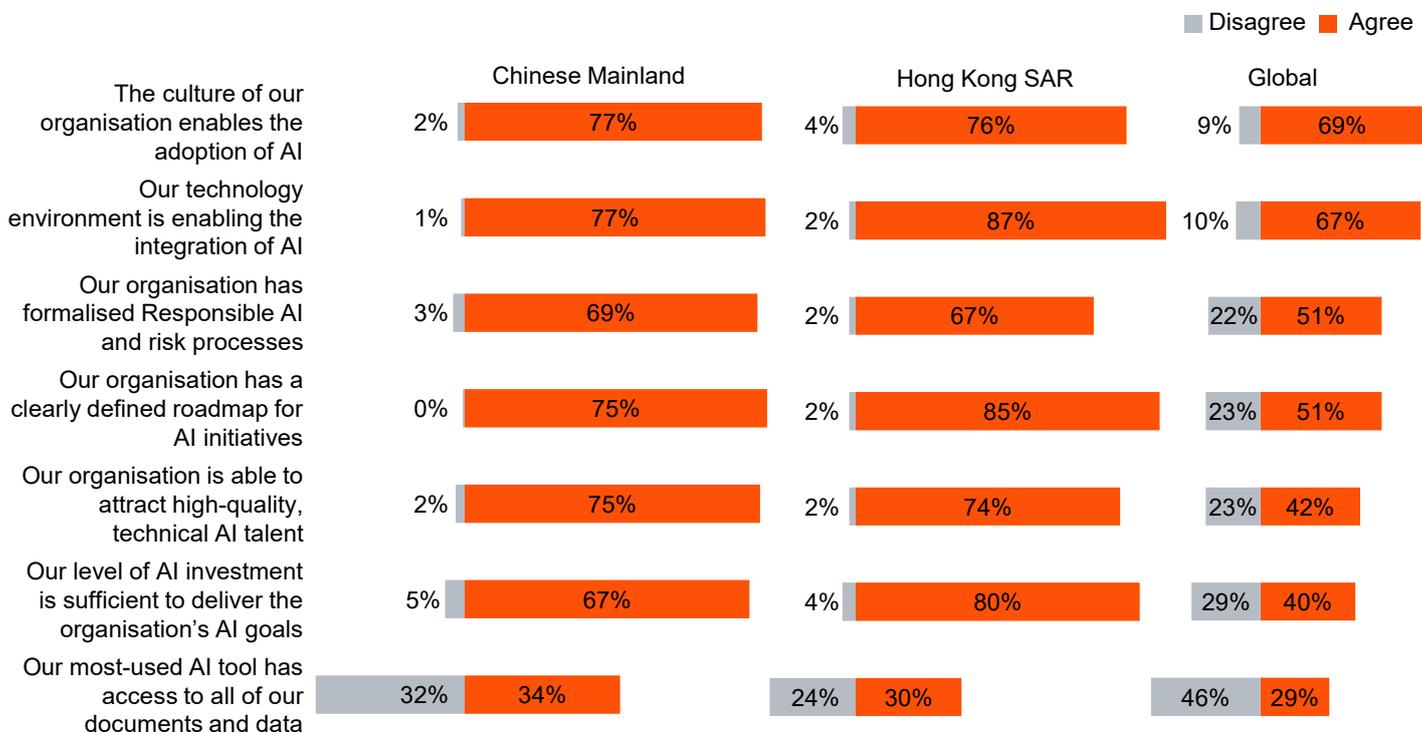
High Level of Endorsement for AI Strategies

Against the backdrop of AI’s rapid evolution and deepening integration, Chinese enterprises have demonstrated strong strategic maturity and execution confidence. The survey reveals that Chinese companies significantly outperform the global average in key areas, including AI strategic planning, governance frameworks, ROI expectations, and talent attraction.

In particular, most Chinese enterprises have formulated clearly defined roadmap for AI initiatives, express strong confidence in achieving returns on investment, and demonstrate robust capabilities in attracting high-quality AI talent. This not only signals an accelerated shift among Chinese companies from experimental exploration to strategically driven sustainable development but also highlights the systemic advantages that China has built in areas such as talent resources, industrial ecosystems, and market-oriented mechanisms. These strengths provide a solid foundation for Chinese enterprises to gain a competitive head start in the global AI arena.

When asked whether AI tools should be permitted to access all files and data, the proportions of CEOs in agreement remain relatively low—34% in the Chinese Mainland, 30% in Hong Kong, and 29% globally. This reflects a consistently cautious stance across regions, driven by enterprises’ strong awareness of risks related to data security, privacy compliance, and other associated concerns.

CEOs’ agreement with statements regarding the company’s use of AI

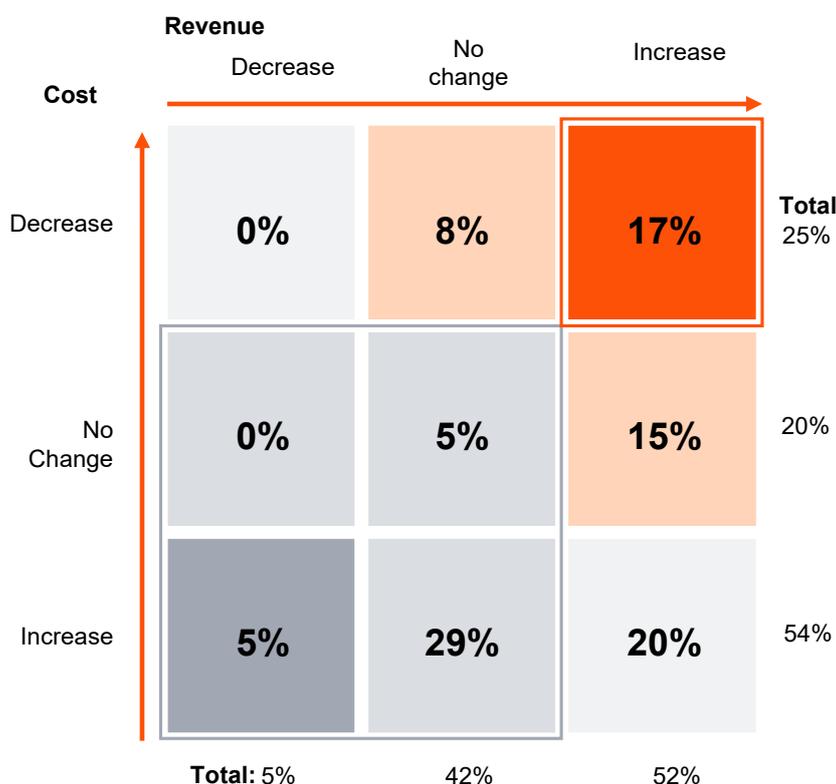


Superior Returns from AI Applications

To further assess the commercial value of AI applications, our survey conducted a cross-analysis of AI’s impact on company revenue and costs over the past 12 months.

Chinese enterprises have entered a phase of positive returns from AI deployment, driven primarily by revenue growth, with outcomes leading globally. In detail, 17% of Chinese CEOs reported achieving both cost reduction and revenue growth through AI—5 percentage points above the global average. A full 52% reported revenue increases, far exceeding the global 29%. At the same time, 39% have yet to realise financial returns from their AI investments (vs 56% globally), and among these, 5% are facing the worst outcome— higher costs alongside lower revenue (vs 1% globally). These results highlight the high-return potential of AI applications in China, while also indicating that some enterprises are hindered by hasty investment and inadequate planning.

Impact of AI on company revenue and costs over the past 12 months

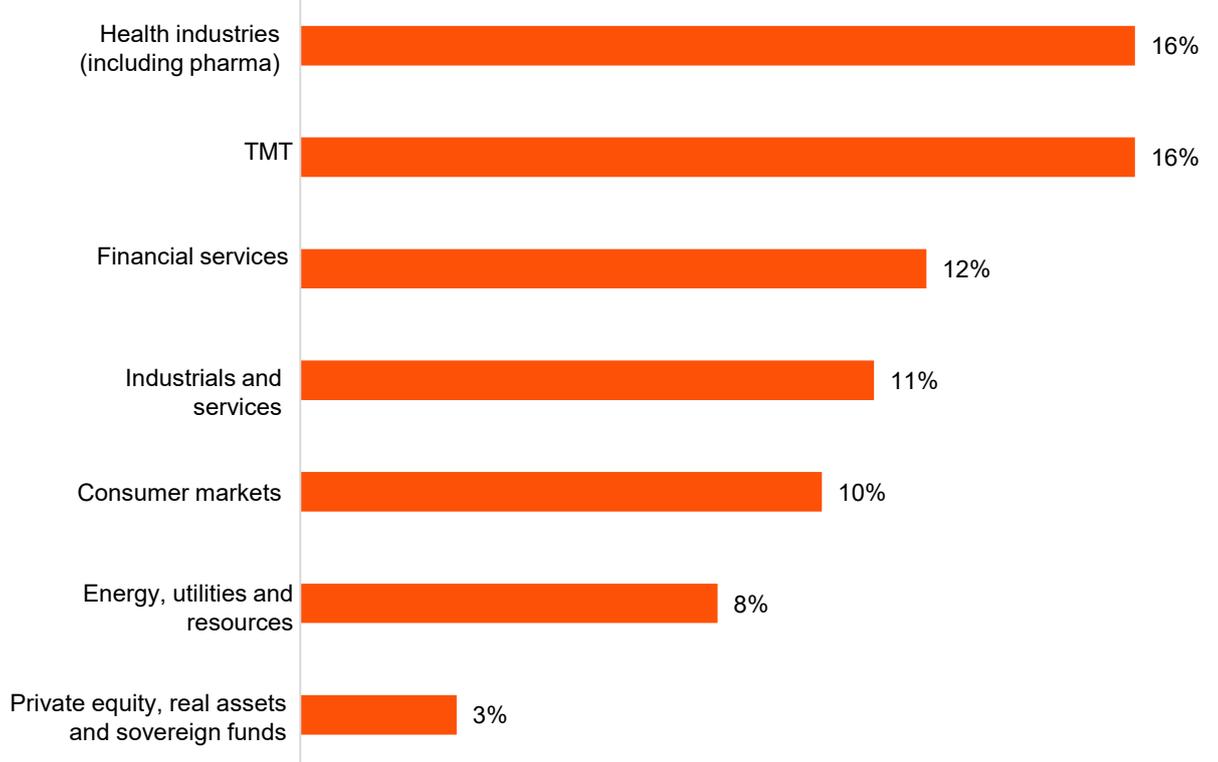


39% of the Chinese enterprises have not reduced costs or increased revenue (Global, 56%)

17% of Chinese CEOs reported achieving both cost reduction and revenue growth through AI (Global, 12%)

Globally, there are notable differences across industries in the proportion of companies achieving both cost reduction and revenue growth from AI. Healthcare and technology, media, and telecommunications (TMT) jointly rank highest (both at 16%), followed by financial services, industrials and services, and consumer markets in the second tier. These findings offer valuable reference points for Chinese enterprises as they advance their AI applications and pursue further efficiency gains.

Proportion of companies across global industries achieving dual benefits of cost reduction and revenue growth



Note: Certain Chinese industries are not displayed in the chart due to insufficient sample sizes.



Insights for Development

AI has emerged as a key differentiator in determining enterprises' growth and profitability. Scaled and deepened AI applications will become a critical lever for building core competitive advantages. Enterprises are encouraged to act decisively, increasing investment to achieve full value chain coverage, proactively integrating AI tools into business processes, and securing first-mover advantages in application. At the same time, they need to tailor efforts to develop industry-specific characteristics by prioritising high-return scenarios—such as production optimisation in manufacturing or intelligent customer service in the services sector—while avoiding indiscriminate investment and maximising returns through targeted and precise deployment. A PwC [survey](#), conducted in collaboration with the German Mechanical Engineering Industry Association (VDMA), shows that generative artificial intelligence (GenAI) can support 45 innovative application cases in manufacturing enterprises. Full implementation is projected to boost operating profit margins by 10.7 percentage points, with the study identifying five cases that deliver particularly high returns on investment (ROI). PwC's 2025 [Global AI Jobs Barometer report](#) reveals that industries most proficient in AI deployment achieve revenue-per-employee growth three times higher than those least skilled.



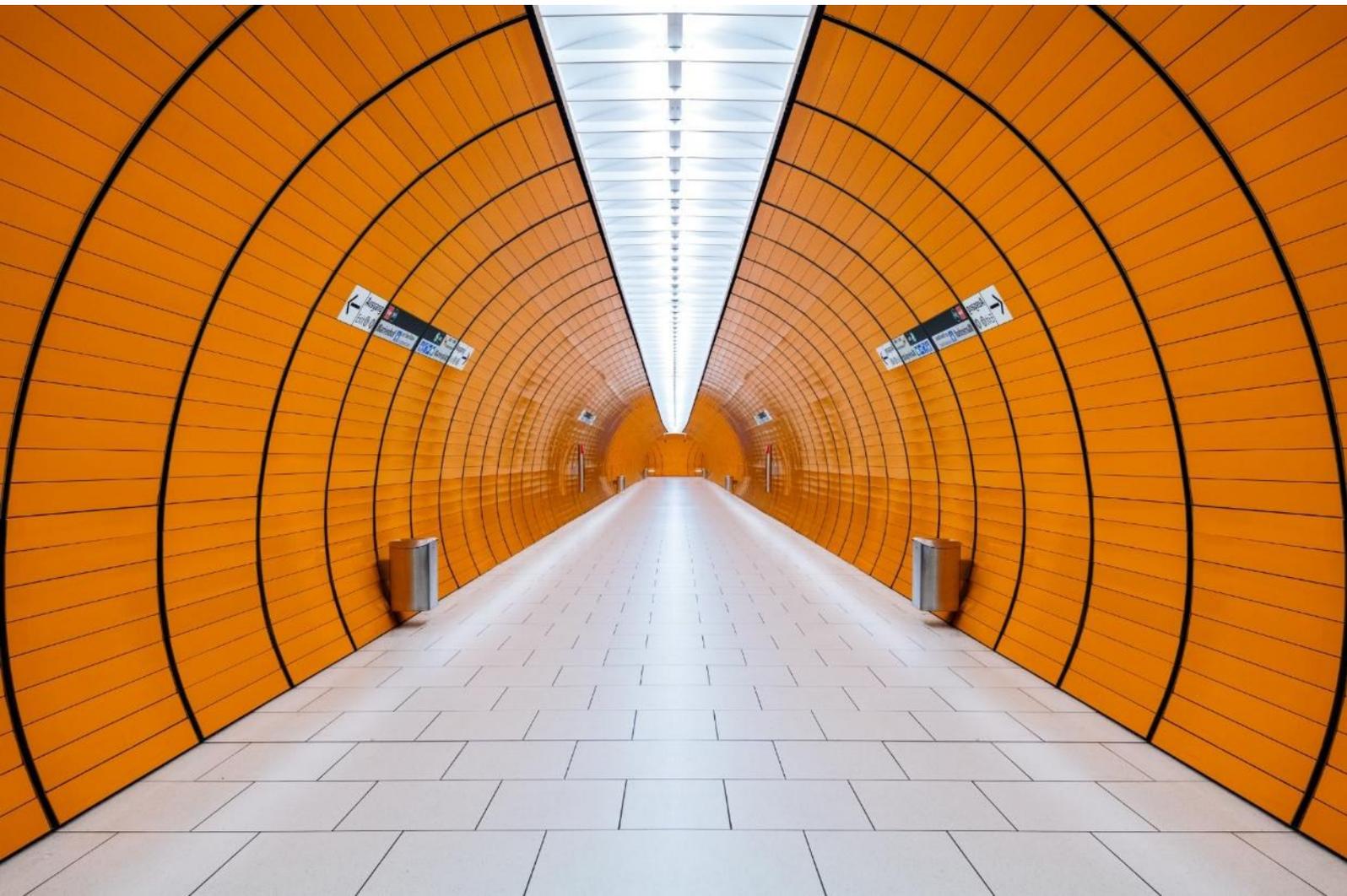
Currently, Chinese enterprises lead global practice in the deployment and value realisation of AI. However, the disruptive transformations that AI is bringing to business models, internal processes, and customer interactions offer few historical precedents for guidance. We have observed that companies are primarily partnering with professional services providers in a co-creative approach—combining cutting-edge technologies with real-world business realities—to clarify transformation pathways, advance AI from exploratory experimentation to tangible value delivery, and achieve more effective, practical empowerment.

Wilson Chow

Global TMT Industry Leader and China Artificial Intelligence Leader,
PwC China

05

The Path to Enhancing Enterprise Resilience



In a global business environment marked by profound uncertainty, trends towards cross-sector integration and mutually beneficial cooperation are reshaping enterprises’ organisational structures and operational logic, presenting entirely new challenges to management capabilities. Crisis response, market responsiveness, internal operational efficiency, and trust ecosystems are the four core dimensions that most rigorously test enterprises’ management capabilities and ultimately determine the strength of their resilience.

Defence-First Approach to Crisis Response

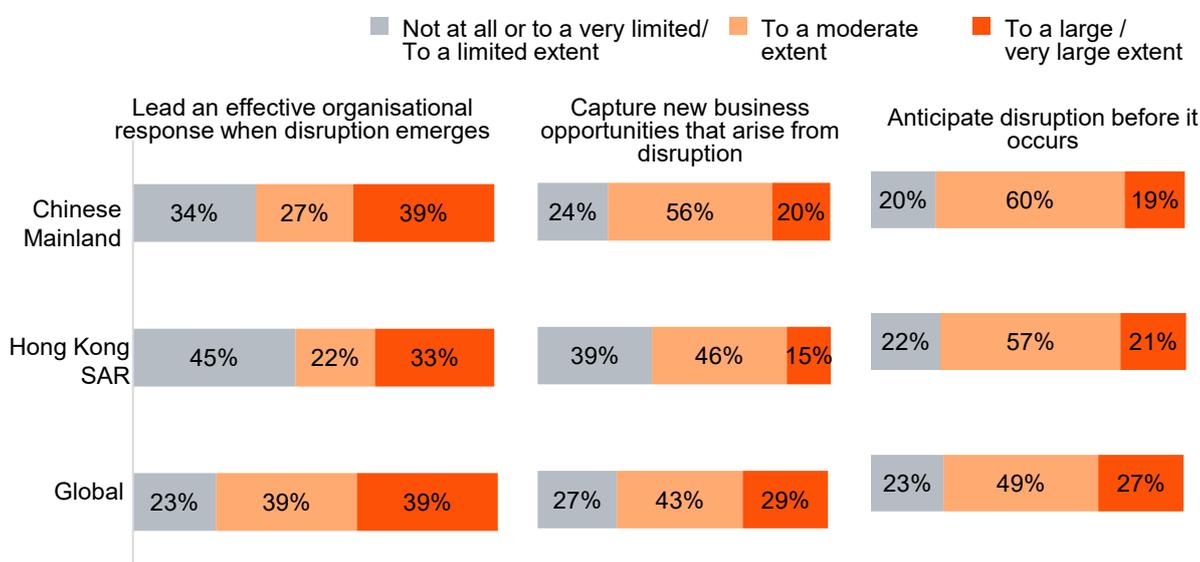
When facing major disruptions, Chinese enterprises generally adopt a strategic approach that prioritises defence while also seeking opportunities. This contrasts markedly with the tendency among global peers to prioritise proactive change and seize opportunities.

Enterprises in the Chinese Mainland have established systematic defence mechanisms ranging from risk anticipation to effective response, demonstrating strong capabilities in risk forecasting and organisational responsiveness. These attributes reflect the robust resilience developed through navigating complex and challenging environments. Nevertheless, there remains significant room for improvement in the ability to turn crises into strategic opportunities, with a notable gap, in awareness and proactive pursuit, of emerging business prospects compared to global enterprises.

Hong Kong enterprises, benefiting from the sensitivity derived from Hong Kong’s role as an international financial centre, exhibit risk anticipation capabilities comparable to those of firms in the Chinese Mainland. However, their organisational responsiveness when a shock occurs tends to be relatively weaker, indicating room for further improvement in immediate responses to market volatility. In contrast, global enterprises excel at proactively identifying opportunities amid uncertainty, exemplifying the enterprising spirit typical of mature markets in seeking breakthroughs during crises.

These differences reflect the varying stages of development across regions and highlight a key insight: while maintaining their strong defensive resilience, Chinese enterprises need to further enhance their ability to turn crises into opportunities.

Level of readiness among senior management for major disruptions



Prominent Advantages in Supply Chain Resilience

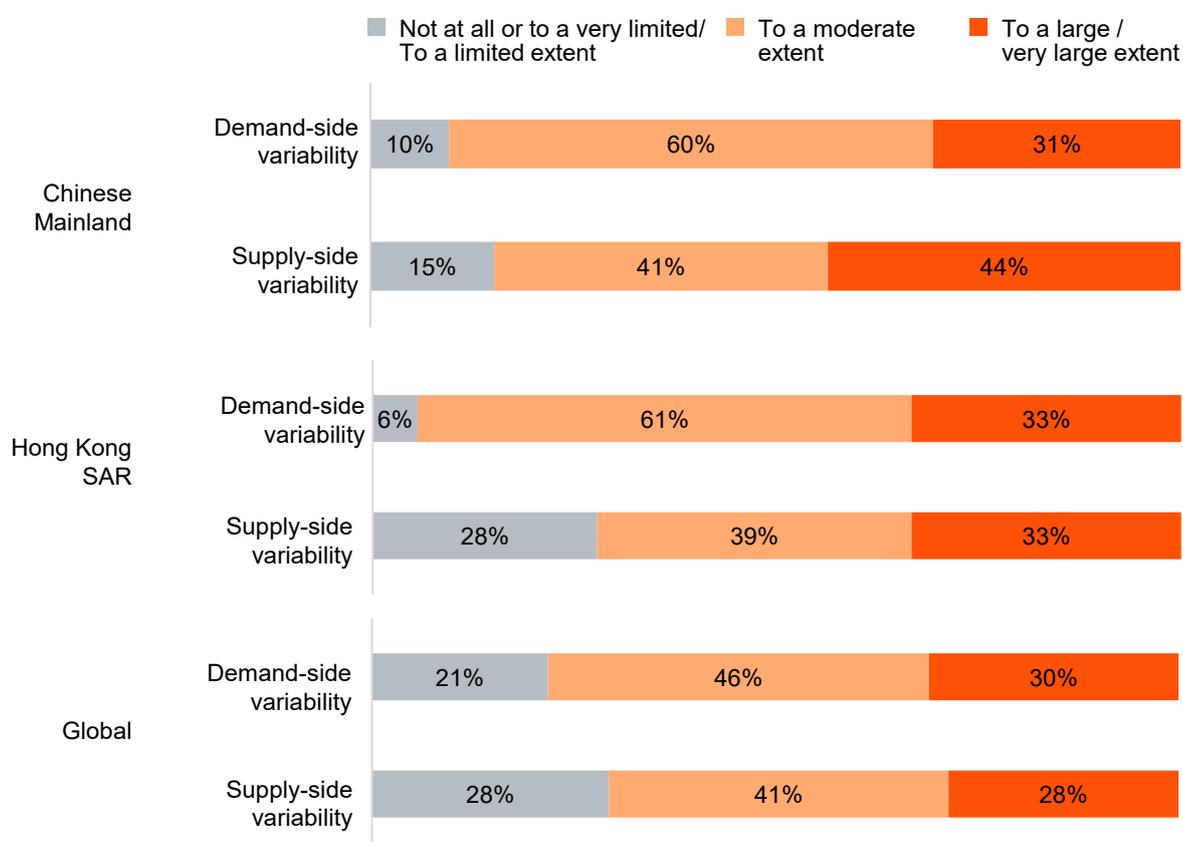
Enterprises in the Chinese Mainland have demonstrated robust resilience in responding to supply-side disruptions, with 44% reporting a large or very large degree of flexibility—significantly higher than the global average of 28%. This strength stems from China’s comprehensive industrial chain ecosystem and diversified supply chain configurations, which have become a core competitive advantage in mitigating external shocks.

Hong Kong enterprises, by contrast, exhibit greater agility in responding to demand-side fluctuations, with only 6% rating their flexibility in addressing demand volatility as none, very low, or limited—far below the global figure of 21%. This highlights the exceptional efficiency of information flow enabled by Hong Kong’s position as an international commercial and trading hub.

Global enterprises, meanwhile, display relatively balanced flexibility on both demand and supply sides, reflecting the robust risk diversification strategies established by companies in mature markets through their globalised operations.

This differentiated performance not only highlights the distinctive position of Chinese enterprises in global value chains but also indicates that, amid increasing global economic volatility, enhancing the synergy between supply chain resilience and demand-side agility will be a key pathway for Chinese companies to navigate economic cycles successfully.

Degree of company flexibility in responding to fluctuations in demand and supply



Strong Satisfaction with Operational Performance

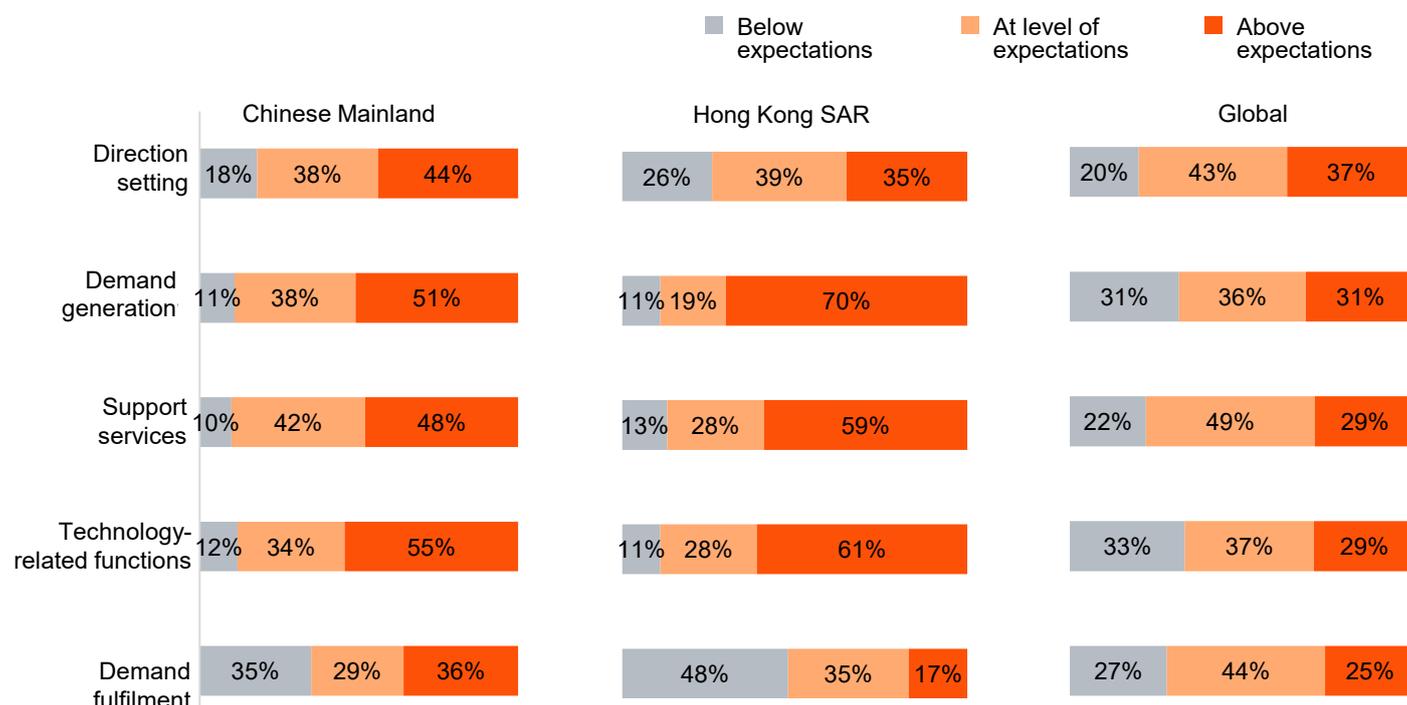
Chinese enterprises exhibit strong confidence in their operational performance, with notable strengths in front-end areas such as demand generation (e.g., sales and marketing) and technology implementation and support (e.g., data analytics and information technology).

Among these, Hong Kong enterprises stand out with particularly strong performance: of 70% consider outcomes in demand generation to have exceeded expectations, while 61% view technology implementation and support as having surpassed expectations. These results substantially outperform the averages for both the Chinese Mainland and the global benchmark, highlighting Hong Kong's distinctive strengths—as an international commercial and trading hub—in capturing demand and leveraging technology effectively. This impressive performance stems from the keen market awareness and swift responsiveness that Chinese enterprises have developed in a highly competitive environment, as well as the direct benefits of digital transformation in creating seamless supply-demand loops and driving efficiency gains across the entire value chain.

However, Hong Kong enterprises also show clear shortcomings in demand fulfilment (such as supply chain, manufacturing, and logistics), with only 17% reporting that performance in this area has exceeded expectations. This highlights their heavy reliance on external supply chains and exposes deficiencies in back-end operational capabilities. Going forward, addressing these weaknesses will require deeper supply chain collaboration and improved back-end delivery efficiency, establishing a comprehensive competitive advantage based on strong front-end drive supported by robust back-end operations.

Looking ahead, enterprises need to maintain front-end agility while strengthening the stability and refined management of back-end operations, gradually achieving an efficiency upgrade by shifting from a market-driven to a system-driven model.

Whether the company's current performance meets CEOs' expectations



Building a Broader Trust Ecosystem

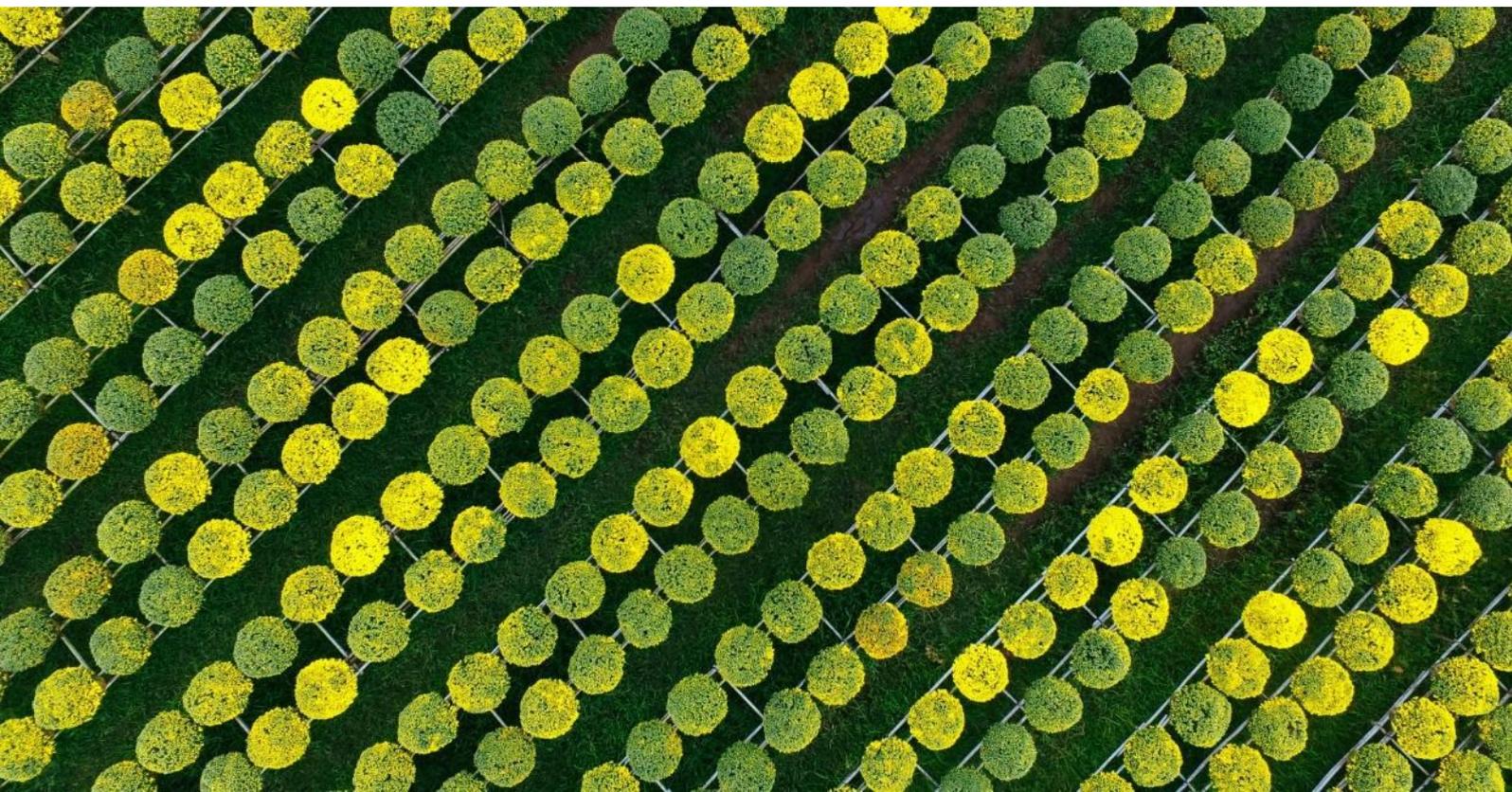
Trust has become the cornerstone of enterprise operations and a core driver of long-term value growth, with its importance increasingly evident in uncertain environments.

Global enterprises exhibit high levels of capital trust, with more than seven in ten expressing low concern about the withdrawal of support or investment in their company. This reflects the confidence that mature capital markets have in enterprises' long-term value.

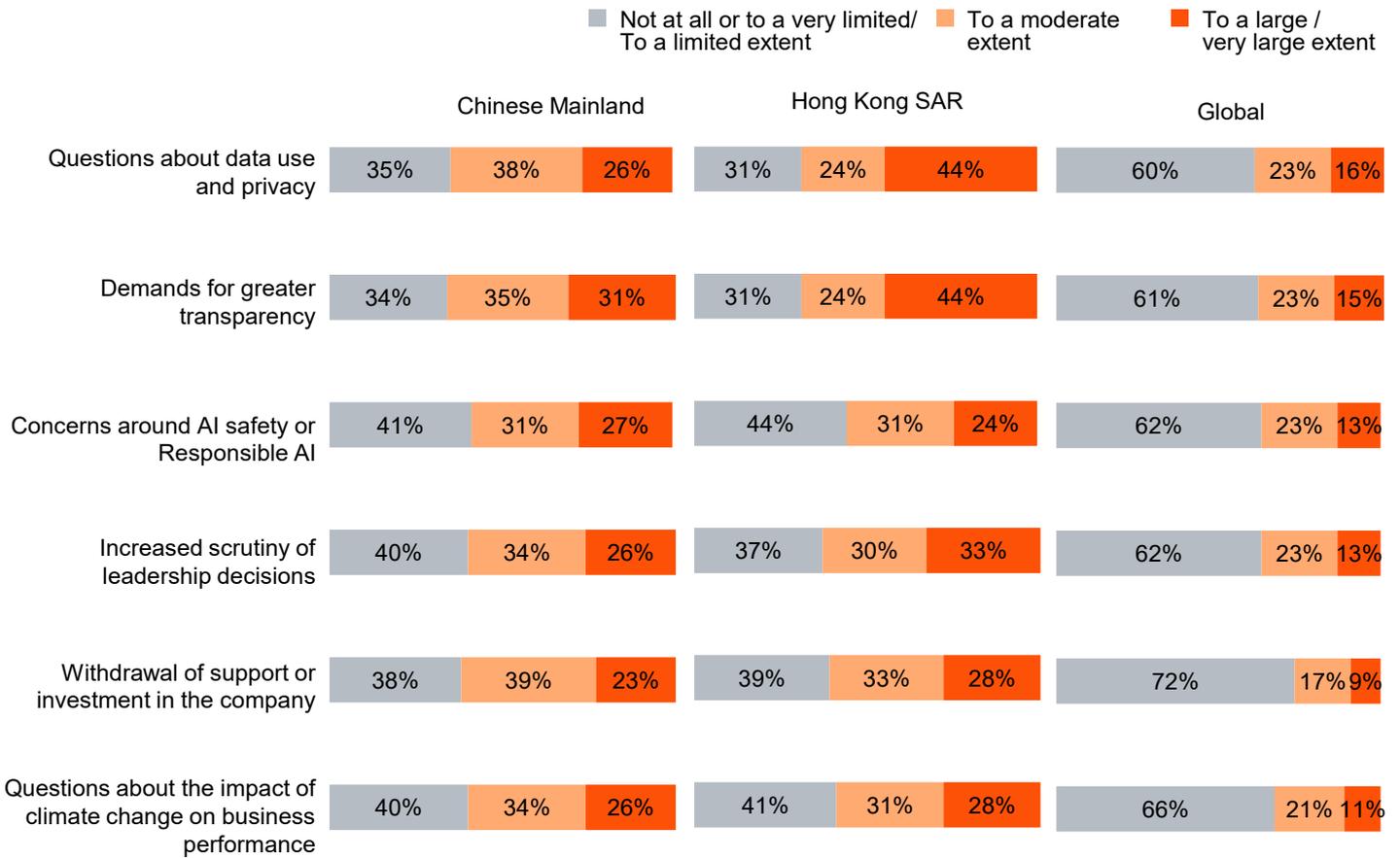
In contrast, the trust-related risks facing Chinese enterprises are primarily operational. Notably, Hong Kong enterprises report high levels of concern—at 44% in both cases—regarding questions about data use and privacy, and demands for greater transparency. Enterprises in the Chinese Mainland, meanwhile, register a 26% high-concern rate for increased scrutiny of leadership decisions, highlighting the strong focus on operational compliance within the Chinese market.

Of particular note is the stronger sense of social responsibility demonstrated by Chinese Mainland enterprises. The proportions of CEOs expressing high concern about AI safety or responsible AI, and the impact of climate change on business performance, are 27% and 26% respectively—significantly higher than the global averages of 13% and 11%. This reflects the fact that enterprises in the Chinese Mainland have led the way in elevating technical ethics and climate risks from mere compliance costs to core strategic priorities.

This dual prominence—at both the operational and responsibility levels—aligns closely with China's dual carbon goals and the policy direction for digital economy governance. It also signals that the future of enterprise competitiveness will shift from an emphasis on scale-driven efficiency to responsible resilience. Looking ahead, Chinese enterprises will need to build a multi-faceted trust framework encompassing operational trust, digital trust, and responsibility trust to effectively meet the diverse expectations of stakeholders.



Extent of concern regarding stakeholder trust





Insights for Development

Looking ahead, enterprise resilience will evolve from a primarily defensive, single-dimensional approach to a multi-dimensional strategy centred on synergy and collaboration. This shift is not only an inevitable response to increasing uncertainty in the global business environment but also a core competitive advantage for enterprises seeking long-term sustainable development.

Enterprises are advised to systematically transform their resilience-building efforts from a fragmented, reactive approach to an integrated and coordinated one. This requires reshaping the logic of crisis response: on one hand, risk anticipation needs to become a proactive strategic advantage that shapes planning from the outset, rather than merely a defensive tool. By adopting the more proactive practices observed among global enterprises, companies need to create an interconnected mechanism linking risk anticipation, rapid response, and opportunity conversion. In this way, resilience to risks becomes a foundation for developing new growth paths. On the other hand, enterprises can adopt a closed-loop value orientation, integrating the three core dimensions of external supply chain resilience, internal operational efficiency, and trust ecosystems. This involves embedding collaboration across internal and external value chains, enhancing back-end delivery precision, and increasing transparency in trust systems throughout the entire business process, thereby achieving simultaneous improvements in efficiency, trust, and responsibility. In this way, resilience-building can truly support long-term value creation for enterprises. At the same time, we expect enterprises, governments, industry associations, and other stakeholders to collaborate in creating a healthier development environment and building a more inclusive resilience ecosystem. Only then can resilience serve as a strong foundation for the Chinese economy to navigate economic cycles and achieve sustainable growth.



Resilience represents the core competitive strength for enterprises looking to the future and serves as the critical lever for navigating uncertainty. CEOs need to embrace long-termism, balancing robust risk prevention and control with value creation, while driving integrated upgrades across strategy, organisation, and ecosystems. By building systematised capabilities, they can seize the opportunities of the current era. Drawing on our comprehensive professional expertise and proven practical experience across the full value chain, we stand ready to support enterprises in forging a resilient foundation capable of withstanding economic cycles.

Julius Shen

Lead Partner, Strategy& China

About Us

PwC continues to monitor enterprise transformation experiences and practices from a global perspective. In areas such as growth strategies, investment allocation, innovation pathways, advanced technology applications, and resilience-building, we have developed rigorous methodologies and accumulated extensive practical experience both worldwide and in China.

Through professional insights and forward-looking analysis, we aim to help Chinese enterprises mitigate transformation risks in an era of uncertainty, build enduring competitiveness, and develop precise, effective strategies for steady progress towards long-term goals. This reflects PwC's mission to solve important problems and build trust in society, while embodying our core values—act with integrity, make a difference, care, work together, and reimagine the impossible—as well as our longstanding commitment to partnering with enterprises through periods of change to create lasting value.

Should you wish to learn more about our research methodologies or relevant practical experience, please feel free to contact us.



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