2026 Global CEO Outlook

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October 2026

CEOs back growth as cyber, AI and skills gaps reshape investment decisions

The **12th KPMG Global CEO Outlook** reveals a widening gap between CEOs' outlook for their own businesses and for the global economy. Confidence in their organizations' three-year growth prospects has increased from **79 percent** in 2025 to **84 percent**, while confidence in the global economy has fallen from **68 percent** to **65 percent**, the lowest it has been since 2021. Earnings expectations have also strengthened: **68 percent** anticipate annual growth of at least **2.5 percent**, compared with **61 percent** in 2025. The findings suggest CEOs believe they can continue to deliver growth within their businesses despite a less certain external environment, but **79 percent** feel under more pressure to ensure the long-term prosperity of their organizations.

Confidence in growth is being tested by a shifting risk environment, with cybersecurity and data security now the leading threats to growth. In response, **45 percent** of CEOs say they plan to increase investment in cyber and digital risk resilience over the next three years, making it the top area for investment. AI presents a similar tension between ambition and delivery. It remains a top investment priority for **79 percent** of CEOs, up from **71 percent** in 2025, and **66 percent** believe their organization is moving at the right pace or ahead of the curve. Yet the implementation challenges they rate most highly – ethical challenges, cybersecurity, cost and data sovereignty – show how much turning that investment into value depends on governance and operational readiness.

As they pursue growth, CEOs are focused on addressing skills gaps across their workforce and training employees to work with AI, their two leading workforce concerns. Continued investment in upskilling and reskilling, providing tailored role-specific training on how AI can support people in role, alongside open communication about AI's impact, will be critical to preparing the workforce for the future.

Sustainability is moving deeper into strategy: 63 percent of CEOs describe their primary response over the past year as embedding it more deeply, and **70 percent** weigh its costs and returns in at least some investment decisions. AI sits on both sides of that agenda. Around **eight in ten** CEOs believe it can support climate priorities, yet **95 percent** agree that there is concern across their organization about its environmental impact more broadly.

Across the findings, the decisions shaping growth increasingly overlap.

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"CEOs are facing challenges ranging from cyber-security risks and regulatory pressures to the impact of AI on the way we work. They are also facing broader global issues such as economic uncertainty and geopolitical instability. It's clear that leaders are tackling this situation head-on, investing in technology, strengthening workforce capabilities and positioning their organizations for long-term growth.

The pace of change remains significant, but this year's CEO Outlook shows business leaders are approaching that challenge with confidence and a clear focus on the opportunities ahead."



Gary Wingrove
Global Chairman & CEO

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Economic Outlook



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Cyber leads a crowded risk agenda

CEOs' confidence in their own businesses sits alongside a demanding external outlook. Cybersecurity and data security is cited as the most common threat to growth, cited by **31 percent**. Global economic uncertainty follows at **28 percent**, with geopolitical instability and regulatory pressure both at **26 percent**.

Only five percentage points separate those four risks, with supply-chain resilience close behind at 24 percent. CEOs are preparing for several sources of disruption rather than organizing their response around one overriding concern.

Leading risks to growth over the next three years



Investment priorities mirror that range of pressures. Cybersecurity and digital-risk resilience is the most commonly selected area in which CEOs have increased investment to mitigate business risks, cited by 45 percent. Regulatory compliance and reporting follows at 36 percent, with AI integration into operations and workflows at 32 percent.

Most CEOs are maintaining their existing appetite for risk, at 61 percent. Sixteen percent are taking more risk to capture opportunities, 17 percent are becoming more cautious, and six percent are prioritizing risk mitigation over new opportunities.

Cyber provides the clearest connection between risk and response. It is the leading threat to growth, the leading area of increased risk-mitigation spending and one of the AI implementation challenges CEOs rank most highly. This highlights the role of resilience in supporting both growth and technology adoption.

61%
maintain existing appetite for risk

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Technology & AI



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CEOs back AI, but ethics, security and cost shape delivery

AI is firmly embedded in CEOs' investment plans. **Seventy-nine percent** say it remains a top priority over the next three years, up from **71 percent** in 2025. Confidence is also high: **66 percent** believe their organization is moving at the right pace or ahead of the curve. A further **29 percent** are cautiously optimistic, while approximately **5 percent** are struggling or uncertain.

Nearly three-quarters of CEOs (72 percent) expect to spend more than 10 percent of their budget on AI over the next year.

With investment commitment and confidence both high, the more immediate question is how to implement AI and optimize value. Ethical challenges[1] are most frequently rated very or mostly challenging, at 57 percent. Cybersecurity follows at 52 percent, with cost at 51 percent and data-sovereignty requirements at 50 percent. Taken together, these findings suggest that trust, security and embedded controls are becoming important considerations alongside technical capability in the AI agenda.

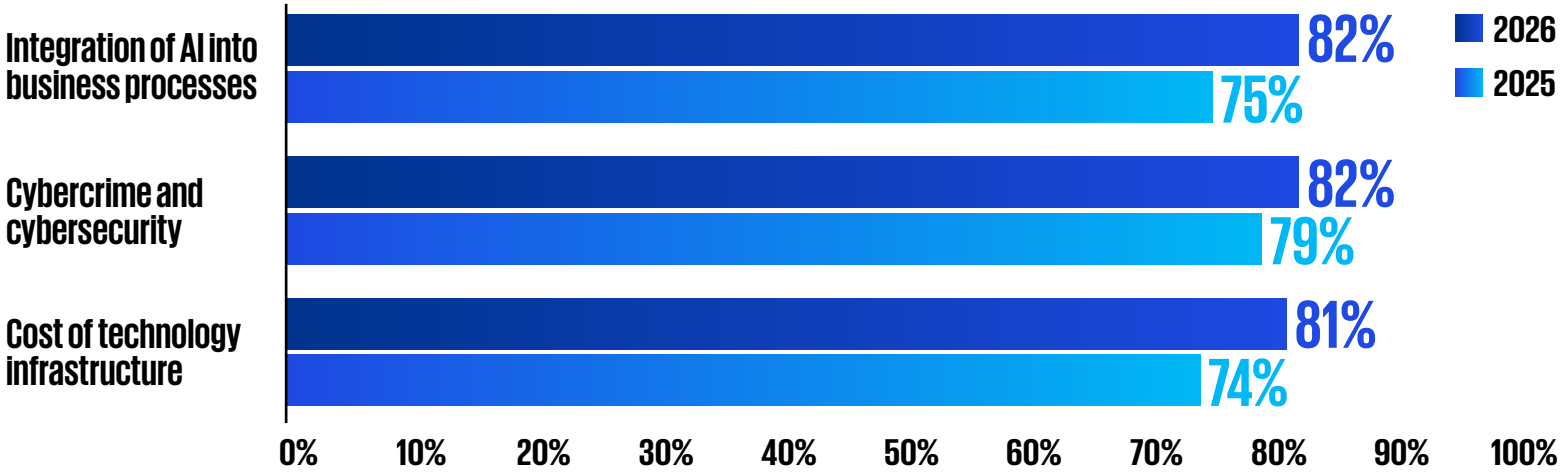
Governance and regulation are central to that work. Fifty-nine percent say AI and data sovereignty are prompting greater attention to internal data governance and controls. Sixty-six percent expect the pace of AI regulation to present a barrier to organizational success. For businesses operating across borders, the challenge is to scale AI while varying requirements continue to develop and differ between markets.

The wider technology environment is also becoming more consequential. More than eight in ten expect AI integration, cybercrime and technology-infrastructure costs to effect organizational prosperity over the next three years, all notably higher than in 2025.

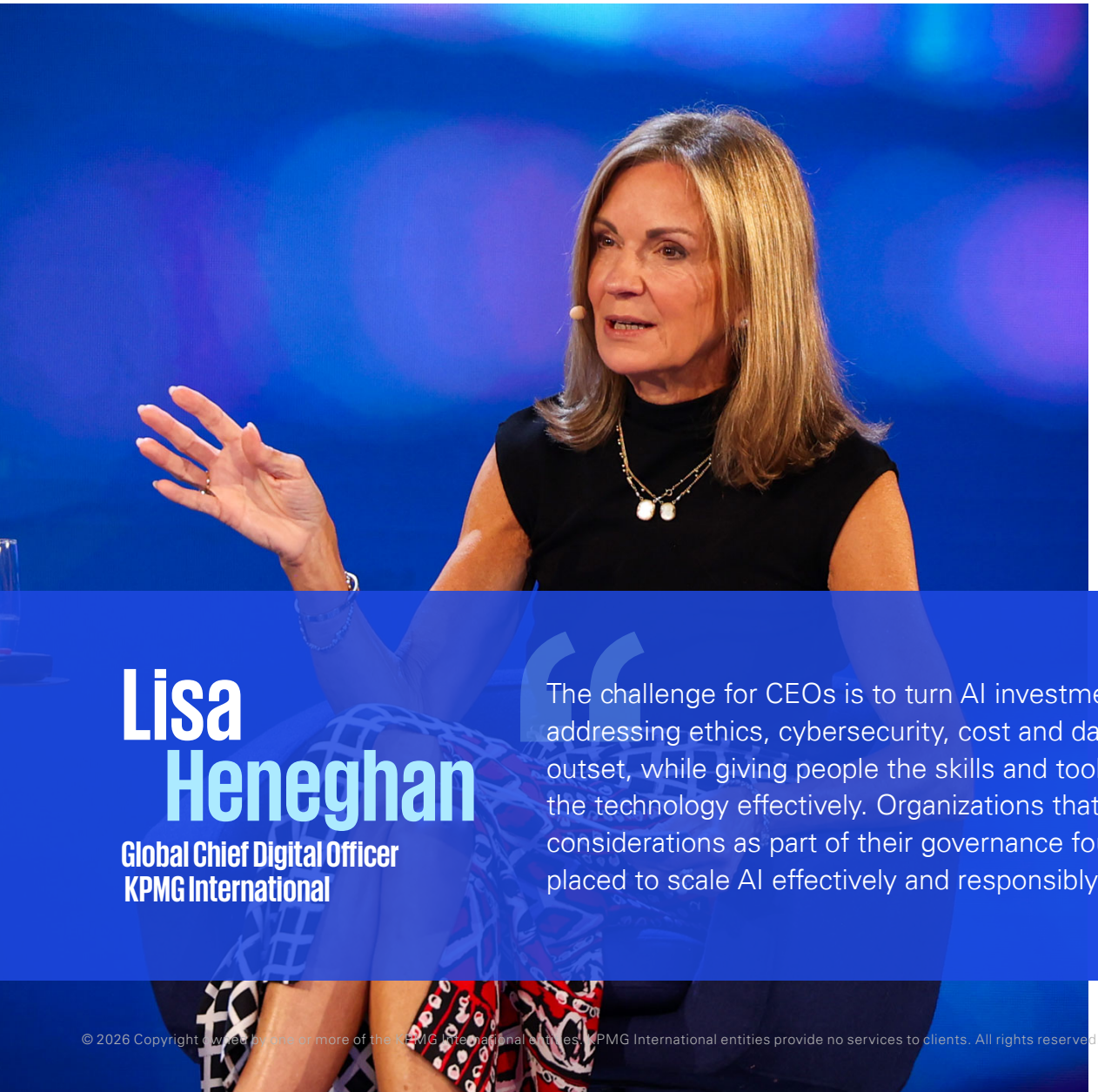
Returns are expected over the medium term. Seventy-one percent anticipate seeing a return within one to three years, while 17 percent expect it within 12 months.

Technology-related trends expected to affect organizational prosperity

over the next three years



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72% expect to spend more than 10% of their budget on AI next year

Lisa Heneghan
Global Chief Digital Officer
KPMG International

"The challenge for CEOs is to turn AI investment into value. That means addressing ethics, cybersecurity, cost and data governance from the outset, while giving people the skills and tools they need to leverage the technology effectively. Organizations that embed and address these considerations as part of their governance foundations may be better placed to scale AI effectively and responsibly."

1 The definition presented to CEOs for ethical challenges included considerations such as trust, bias in data sets, privacy, accountability, transparency, intellectual property and misinformation.

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Talent



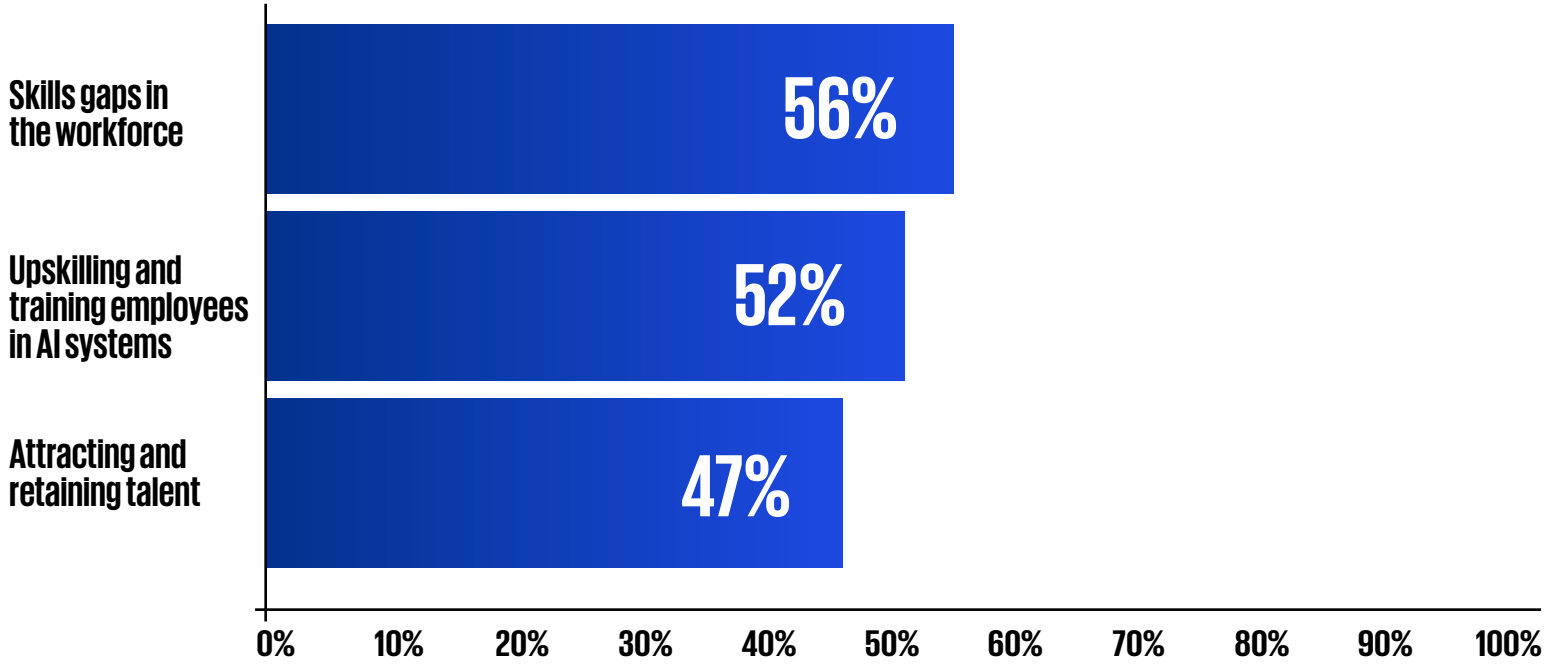
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Headcount growth continues, but capability is the workforce challenge

Eighty-nine percent of CEOs expect their organization's overall headcount to increase over the next three years, although **62 percent** believe that increase will be under **5 percent**.

To support that growth, CEOs are focused on building the skills and capabilities their organizations will need for the future. Skills gaps are considered a significant workforce challenge, identified by 56 percent. Upskilling and training employees in AI systems follows at 52 percent, with attracting and retaining talent at 47 percent.

The leading workforce challenges identified by CEOs



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Workforce resistance sits near the bottom of AI implementation challenges, with 26 percent rating it very or mostly challenging. CEOs are responding through communication and development. Over the next 12 months, 51 percent plan to communicate openly about AI's effect on roles; 46 percent plan reskilling and upskilling programs; and the same proportion plan tailored training on how AI can support people in their jobs.

46% are planning to reskill and upskill AI programs



> As AI continues to reshape jobs and ways of working, the priority for CEOs is developing a workforce with the skills and adaptability to succeed alongside new technologies. That means investing in continuous learning, building confidence through clear communication, and helping people combine AI with human expertise, judgement and experience to create value in new ways.

Colm Gorman
Global Head of People
KPMG International

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Sustainability

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CEOs embed sustainability more deeply into strategy

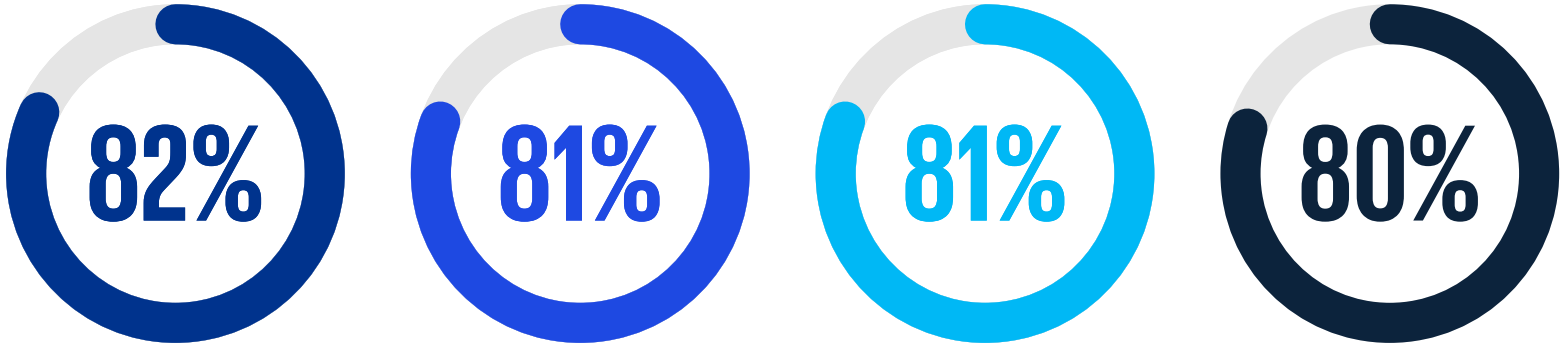
Most CEOs say recent geopolitical developments and internal pressures have brought sustainability closer to core business strategy. **Sixty-three percent** describe their primary response over the past year as embedding sustainability more deeply. A further **21 percent** are refocusing on the issues most critical to the business, while **14 percent** are expanding their efforts.

Sustainability also features in capital allocation. Seventy percent consider the costs and potential returns of sustainability initiatives in at least some investment decisions, including 29 percent who do so in every major capital decision.

Delivery remains difficult. Ninety-one percent say differences in sustainability regulation and expectations across markets create significant or moderate challenges. The leading barriers to achieving Net Zero or similar climate ambitions are decarbonizing supply chains, cited by 22 percent; inconsistent regulation across jurisdictions, at 20 percent; cost, at 16 percent; and a lack of skills and expertise, at 15 percent.

AI adds a further tension. CEOs see significant potential for the technology to support climate and sustainability priorities, yet 95 percent agree that there is concern across their organization about the broad environmental impact of increased AI use.

Where CEOs believe AI has the potential to support climate and sustainability efforts



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Gauthier Acket
Global Head of Sustainability
KPMG International

> As CEOs navigate growing pressures across supply chains, energy and regulation, sustainability is becoming increasingly embedded in strategy and investment decisions. At the same time, organizations are adapting to an AI-driven world. While AI has the potential to accelerate sustainability progress, responsible adoption requires a clear understanding of its environmental footprint to ensure its benefits ultimately support climate goals.

Energy sourcing forms a related, but separate, part of CEOs' plans. Over the next three to five years, 49 percent expect their primary approach to focus on diversifying external supply through renewable or lower-carbon energy. Thirty-seven percent expect to focus primarily on reducing demand through efficiency, while 13 percent plan to add dedicated generation, storage or backup capacity.

70%

consider the costs and potential returns of sustainability initiatives in at least some investment decisions

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The 2026 test

Turning confidence and investment into lasting value

The findings describe CEOs as willing to back their businesses, but growth increasingly depends on more than the allocation of capital. Cyber resilience shapes both risk and AI deployment. Workforce plans depend on closing skills gaps. Sustainability is moving closer to strategy and capital allocation, while energy choices form part of CEOs' operational planning.

These priorities interact. Responsible AI scaling may require appropriate security, governance and workforce capability. Scaling technology brings infrastructure costs and energy use into business decisions. Sustainability ambitions depend on practical decisions about supply chains, regulation and capital. A more integrated approach may help organizations identify potential gaps between ambition and delivery.

The defining task for CEOs in 2026 is to make these decisions reinforce one another. That requires a shared view of value and clear accountability across strategy, technology, risk, people and sustainability.

Organizations may be better placed to pursue growth when they connect these decisions and build the capabilities to deliver them..

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About the KPMG 2026 CEO Outlook

The 12th edition of the KPMG Global CEO Outlook, conducted with 1,400 CEOs between 11 August and 21 September 2026, provides unique insight into the mindset, strategies and planning tactics of CEOs.

All respondents oversee companies with annual revenues over US$500M, and a third of the companies surveyed have more than US$10B in annual revenue. The survey included CEOs from 12 key markets (Australia, Canada, China, France, Germany, India, Italy, Japan, the Netherlands, Spain, UK and US) and 13 key industry sectors (asset management, automotive, banking, consumer and retail, energy, healthcare, infrastructure, insurance, life sciences, manufacturing, technology, media and telecommunications).

NOTE: some figures may not add up to 100 percent due to rounding.

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