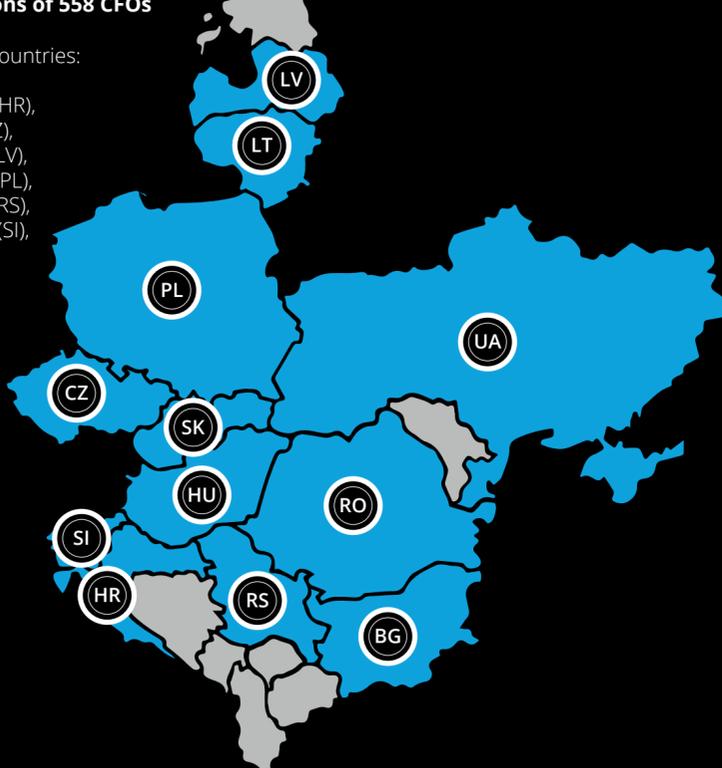


# Deloitte Central Europe CFO Survey 2020

The findings discussed in this report represent the opinions of 558 CFOs

12 Central European countries:

Bulgaria (BG), Croatia (HR), the Czech Republic (CZ), Hungary (HU), Latvia (LV), Lithuania (LT), Poland (PL), Romania (RO), Serbia (RS), Slovakia (SK), Slovenia (SI), and Ukraine (UA).



## Economic outlook



1 Respondents expect average GDP growth of **2%** in 2020, **0.3%** less than in 2019.



2 A significant majority of CFOs (**83%**) expect the Consumer Price Index (CPI) to rise in 2020, 1 pp more than in 2019.



3 The largest share of CFOs (**40%**) expect no change in unemployment levels during 2020. However, the share of those expecting an increase grew to **36%** in 2020, up from **13%** in 2018 and **21%** in 2019.

## Business outlook

Workforce costs are again expected to rise, with **91%** of CFOs predicting an increase.

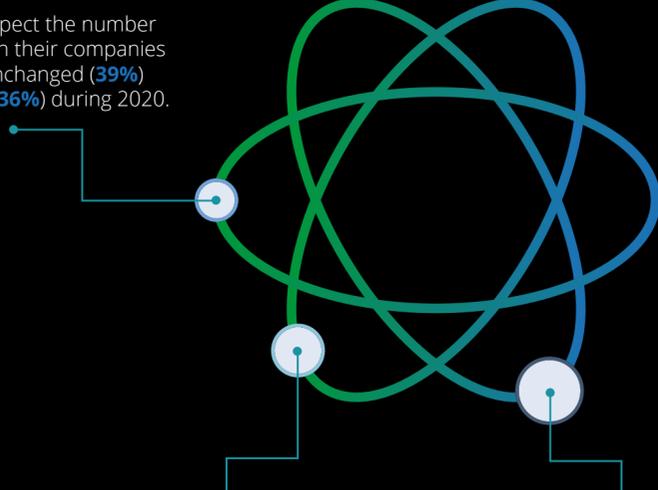


**73%** believe this is not a good time for companies to take on more risk.

**51%** of CFOs point to increasing costs as a significant threat to their business.

## Company growth outlook

Most CFOs expect the number of employees in their companies to remain unchanged (**39%**) or to increase (**36%**) during 2020.



Expansion through acquisition is set to be a priority for businesses in 2020, with **37%** of CFOs putting it at the top of the agenda.

While **60%** of CFOs believe that revenues in 2020 will be higher than last year, this is a 6pp decrease since last year.

## Diversity and inclusion

More than a quarter (**27%**) of CFOs told us that their **company's strategy and vision for D&I is well known and understood** throughout the workforce.

**28%** of CFOs agree or strongly agree that **their companies have a formal strategy for D&I** in place.

**38%** of respondents from Business and Professional Services confirm **D&I practices are a substantial part of the companies' talent brand or strategy**.

**40%** of the CFOs in the survey told us that their organisations use **internal mechanisms like newsletters and intranets** to tell their employees about their approach to and support for D&I.

Among strategic priorities for the next three years, **gender diversity** is the most important aspect of D&I (confirmed by **50%** of CFOs).

The most popular initiative to promote D&I is to **develop and issue an organisation-wide vision and set of principles** – confirmed by **50%** of respondents.

**Between 56% and 62%** of CFOs confirmed that their companies have adopted **formal written policies or standards** with regard to discrimination, fair pay, flexible working, equal access to career development opportunities and standards for maternity/parental leave.

More than one in four (**27%**) of respondents from Business & Professional Services told us that their CEO or other board members are also on **the board of an external D&I-related organisation, NGO or association**.

A relatively high proportion of respondents from the Technology, Media, Telecommunication sector told us that their CEO or vice president is **actively involved in promoting D&I issues** through traditional and digital media channels (**21%**) and social media (**24%**)

## Climate change



**62%** of CFOs feel no pressure from **shareholders or investors** to act on the climate change.

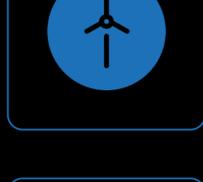
**63%** of CFOs feel no pressure from **clients or customers** to act on the climate change.

**68%** of CFOs feel no pressure from **employees** to act on the climate change.



**60%** of CFOs declare their companies are increasing or about to increase the **efficiency of energy use** (e.g. energy efficiency in buildings) to manage, mitigate and/or adapt to climate change.

**50%** of CFOs confirm their organisations are using or about to use energy-efficient or **climate-friendly machinery, technologies and equipment** to manage, mitigate and/or adapt to climate change.



**43%** of CFOs from the **Energy, Utilities and Mining** sector say their organisations have emission targets in place.

Only **10%** of CFOs from the **Financial Services** sector confirm their organisations have emission targets in place.

The proportion of **companies with some kind of emission targets in place in CE is 25%** compared with **35%** in other European countries.

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