VISION 2026

Where is the World Going in 2026 and Beyond?

CEO and Investor Outlook Survey

Teneo

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01 Foreword



Ursula Burns
Chairwoman
Teneo



Paul Keary
CEO
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Our annual CEO and investor report captures the views of more than 350 global CEOs and 400 institutional investors representing more than $19 trillion USD of company and portfolio value.

As we enter 2026, global CEOs are meeting the moment with measured optimism and sharpened realism. In an environment where the only constant is uncertainty, businesses – and their CEOs – have evolved to become resilient and adaptive by design.

While 73% of CEOs expect the global economy to improve in the year ahead, confidence has cooled somewhat from the exuberance of December 2024. Bolstered by years of strategic transformation, organizations are better positioned to weather volatility and, crucially, advance the exponential potential of AI. With dynamic organizational resilience baked in, executives remain optimistic yet clear-eyed about higher capital costs, shifting policies and persistent geopolitical tensions shaping markets – a sentiment reflected in our own daily conversations with CEOs, board members and business leaders around the world.

AI innovation continues to be a top investment priority – 68% of CEOs are increasing investment, and 88% believe it is already helping them navigate disruption. But the clock is ticking, as investors start to demand real transformational change. For these leaders, disruption no longer signals risk – it signals opportunity.

We hope this report helps inform your strategy as you navigate another dynamic year ahead.

Wishing you continued success in 2026.

02 Executive Summary

CEOs and investors predict 2026 will be defined by steady global growth, expanding opportunities in APAC and a robust AI economy.

Cautious Confidence

With 73% of CEOs and 82% of investors expecting the global economy to improve over the first six months of 2026, optimism is strong for economic growth, albeit tempered compared to last year. Nearly half of CEOs and investors are preparing to increase hiring and international and domestic investment in 2026.

Mid-cap CEOs are more bullish: 80% expect improvement over the first six months of 2026, compared to just 31% of large-cap executives.

The M&A outlook remains strong, with more than 75% of CEOs and investors expecting increased activity in 2026. However, both groups cite higher capital costs as the top barrier.

U.S. Leads, India Emerges, Deglobalization Continues

The U.S. remains the world's most attractive investment destination for CEOs who are undeterred by policy volatility and enticed by the prospect of regulatory improvements by the Trump administration.

Eighty-two percent of CEOs and investors also see APAC as a top investment priority, with India on the rise. By 2036, CEOs expect India to surpass China in strategic importance, reflecting its dual role as a demand engine and talent powerhouse. At the same time, nearly 60% of CEOs and investors anticipate that deglobalization will accelerate in 2026. However, when asked whether these geopolitical shifts represent a temporary phenomenon or a long-term reordering of the post-war status quo, results were evenly split, reinforcing that the only constant right now is uncertainty.

The Chase for AI ROI

AI readiness is a near-universal priority for CEOs and investors, and after years of experimentation, CEOs have the confidence to double down (68% are increasing investment).

But as efforts shift from hype to execution, businesses are under pressure to show ROI from rising AI spend. Large-cap CEOs are seeing solid returns on current programs, particularly across administration, internal efficiency and customer-facing applications. However, 84% of these CEOs predict that positive returns from new AI initiatives will take longer than six months to achieve. In contrast, investors are pushing for faster impact: 53% expect positive ROI in six months or less.

AI: The Unexpected Workforce Dividend

While AI will have an undeniable long-term impact on the future of jobs, most CEOs expect it to drive a near-term increase in hiring across all levels in 2026. Businesses are reshaping their workforces to accelerate returns on investment from an efficiency, cost and commercial perspective.

AI enablement and upskilling will be top talent priorities, reflecting a balanced approach to building automation and human capabilities. Eighty-seven percent of CEOs feel confident that their organizations are prepared for future technological disruption but predict that future leaders will struggle to keep pace with tech advancements. They believe that agility and creativity will be the most important traits for a new generation of CEOs.

03

Growth Outlook: Measured Confidence

03 Growth Outlook: Measured Confidence

Optimism Holds

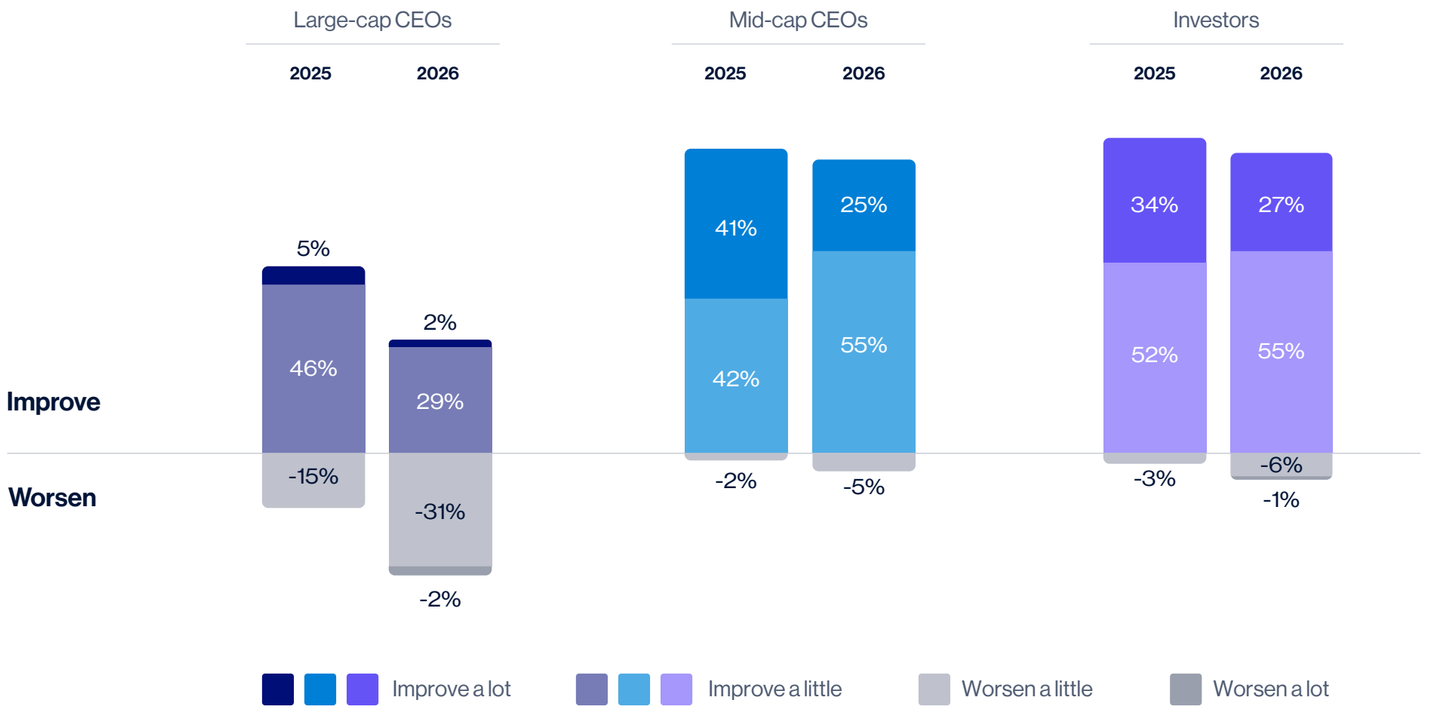
The global economic outlook for the first half of 2026 remains positive but is easing year-over-year, with 73% of CEOs and 82% of investors expecting improvement in 2026 (compared to 77% and 86% in 2025, respectively).

"Globally, we're seeing a high degree of political, economic and corporate complexity, and that naturally breeds uncertainty," says Daniel Butters, CEO, Financial Advisory, Teneo. "It's no surprise that CEOs and investors are taking a more measured outlook."

Notably, large-cap CEO confidence has declined 20 points since last year while mid-cap CEOs and investors remain overwhelmingly bullish. This persistent economic optimism in an era of volatility and uncertainty underscores confidence among leaders in their ability to adapt, execute and seize emerging opportunities.

"At a time when headlines are focused on the MANGO stocks, this year's survey highlights a quiet confidence among mid-market companies," says Tim Nixon, CEO, Management Consulting, Teneo. "With uncertainty as a constant, agility itself is a factor for success – whether across geographic diversification, supply chain re-factoring or AI investment."

Question | Do you expect the global economy to improve or worsen over the first six months of 2026?

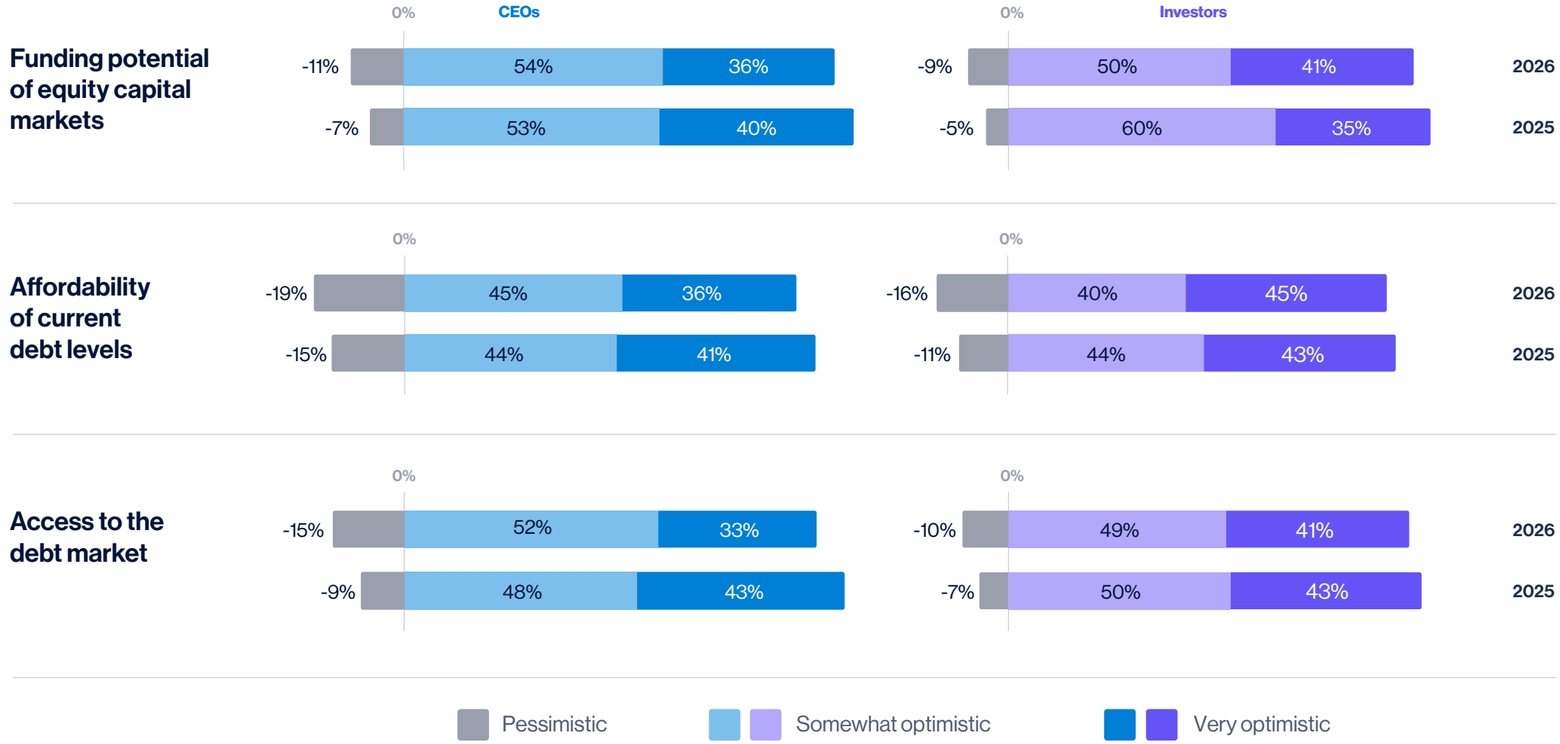


03 Growth Outlook: Measured Confidence

CEOs and investors are also optimistic about the funding potential from equity markets and affordability of debt levels.

But both groups are more cautious heading into 2026 regarding access to the debt market. "On the margins, debt markets remain open, but there is more stress in the system than there has been in many years," says Christian Buss, Co-Head of Investor Relations, Teneo. "It's a tricky environment, with constraints at the lower end of the credit market and pressures that are percolating through the system where there is outsized exposure to lower income consumers."

Question | Looking ahead to the first six months of 2026, are you generally optimistic or pessimistic about the following?



03 Growth Outlook: Measured Confidence

M&A Momentum Continues

M&A optimism persists but is slightly down from 2025, with 78% of CEOs and 77% of investors expecting to see more activity, compared to 83% and 87% last year. Both groups, across all regions, cite high capital costs as the primary headwind to M&A execution.

Large-cap CEOs are marginally more bullish than their mid-cap peers, with 81% anticipating increased M&A activity compared to 76%. CEOs representing the healthcare and resources industries are the most optimistic about M&A activity in 2026, and the same is true for investors with portfolios in resources, financial and industrial.

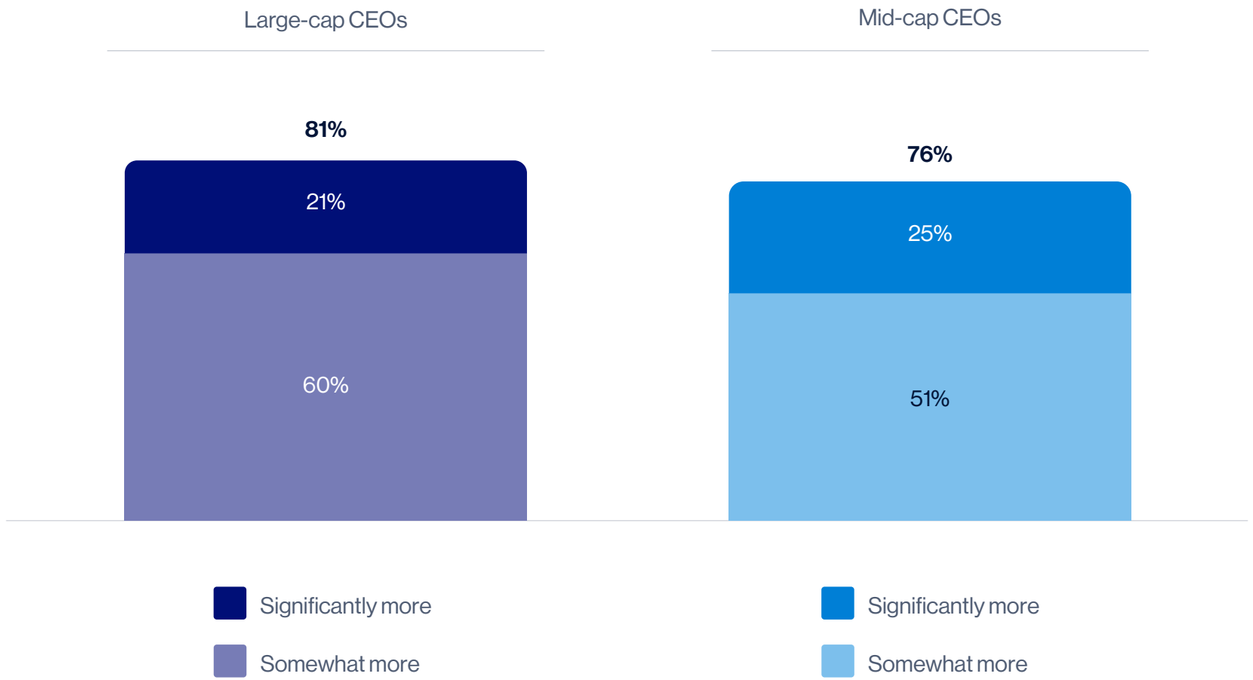
"The consolidation cycle is driving some of these behaviors, resulting in a heightened M&A appetite," says Buss. "The regulation landscape is also more favorable in the U.S. right now, and the U.S. remains hugely important to global M&A activity." Across regions, CEOs in LATAM, MENA and North America exhibit the strongest confidence in M&A outlook, while investors across APAC and Europe are most optimistic for deal activity heading into 2026.

Amidst this heightened deal environment, 72% of CEOs and 76% of investors globally expect a rise in investor activism through 2026.

72% CEOs | **76%** Investors

expect a rise in investor activism in 2026.

Question | Looking at the environment for M&A activity in 2026, are you generally expecting to see...



04 Globalization, Recalibrated

04 Globalization, Recalibrated

The U.S. remains the most attractive market for investment among global CEOs (see pg. 11). However, the continued rise of China and India point to a recalibration of how companies are evolving priorities amid a shifting geopolitical landscape.

India to Eclipse China by 2036

Within five years, CEOs believe India will reach parity with China in terms of significance to business strategies. However, by 2036 that figure leaps to 47% of CEOs who believe India to be extremely important to business (compared to 33% today), overtaking China. CEOs view India as a demand engine and talent powerhouse, with market growth and innovation set to drive global competitiveness long term. CEOs cite its "massive and young consumer market" and "growing digital infrastructure and innovation momentum," recognizing that India has shaped into a "top strategic hub for IT and digital services."

"This shift has major implications for the Middle East, given its proximity, youth-driven consumer market and fast-growing digital infrastructure, all of which make India an increasingly critical economic and energy partner for the region and the world," says Nicholas McDonagh, Head of Middle East, Teneo.

The promise of India's growth remains aspirational for now, though, cautions Kevin Kajiwara, Co-President, Political Risk Advisory, Teneo. "One of India's competitive advantages has been in digital, for example, across IT services and call centers. That's low hanging fruit on the AI front, so the question is what's going to happen to those roles in the future. There is also still a lot of execution risk in India, with social tensions at play and a quasi-federal system of government that can create operational complexities."

Question | How important is China / India to your business strategy?



04 Globalization, Recalibrated

The U.S.-China bilateral relationship remains the most important in the world.

Kevin Kajiwara
Co-President, Political Risk Advisory, Teneo

While India's rise is coming into focus, there is little doubt China will remain central to any business and investment strategy long term. The investors and CEOs surveyed point out that China's growing middle class, production affordability, supply chain scale, energy sources and R&D investments remain unmatched. "China's business is defined by a relentless drive to adapt, lead and innovate," says Lauren Chung, CEO, Asia-Pacific Strategy & Communications, Teneo.

Question | To what extent do you consider each of the regional markets below to be an attractive investment opportunity for your business in 2026? (CEO responses)

89% U.S.



74% Continental Europe & Ireland



82% Asia-Pacific



74% Middle East



75% Canada



73% UK



04 Globalization, Recalibrated

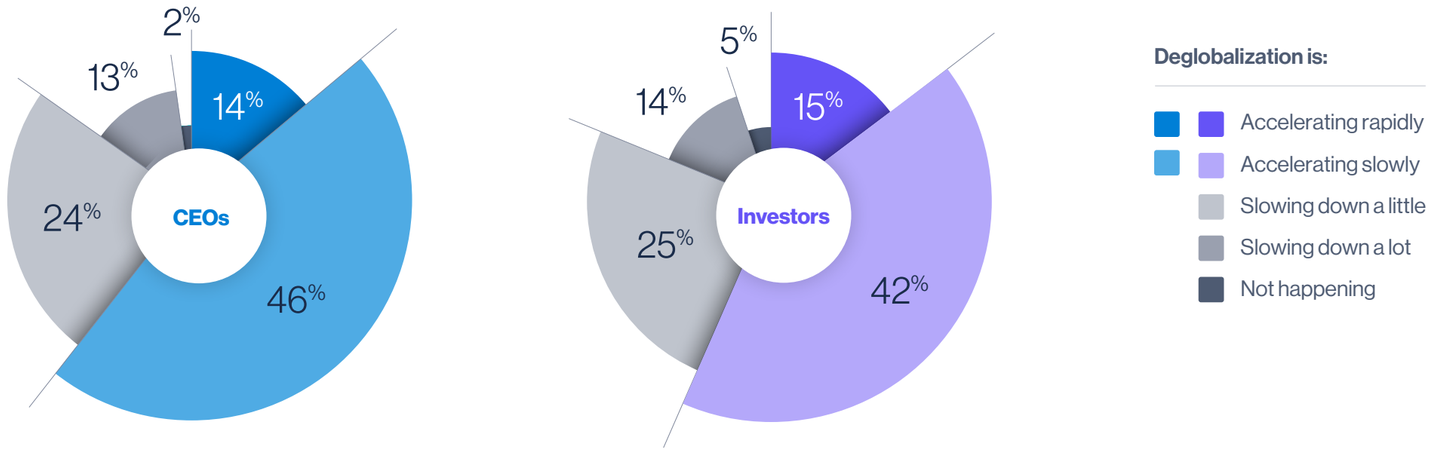
Deglobalization Accelerates

CEOs (60%) and investors (57%) agree that deglobalization is accelerating. However, views are nuanced by geography, with CEOs in MENA and APAC stating that deglobalization is progressing at a slower pace, while leaders in LATAM see it advancing with speed. "This divergence reflects where each region sits in the current reconfiguration of the global supply chain," says Juan José Perojo, Head of Financial Advisory in Latin America, Teneo. "In Latin America, executives might feel deglobalization more sharply because the region is being pulled directly into U.S. and European supply-chain realignment. Nearshoring, commodities and energy transition investments create both opportunity and exposure, which could make the pace of change appear faster and more structural."

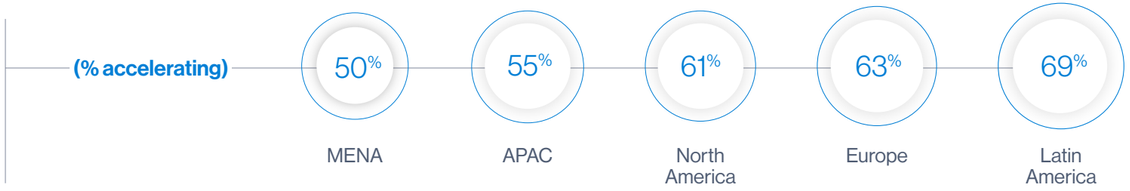
"By contrast, CEOs in MENA and APAC are experiencing the same forces with a degree of insulation. For example, MENA continues to benefit from strong investment flows tied to sovereign-driven development programs and energy transition logistics, while APAC enjoys robust regional trade even as global supply chains rewire."

"I believe what we're seeing is not necessarily the deceleration of globalization, but globalization changing shape," says Chung. "2025 was a year of profound change in the global trading order and one of heightened geopolitical complexity. This led to the emergence of new economic geometries. When traditional pathways to trade and investment are blocked, inevitably new pathways for investment, trade and innovation will form."

Question | Which of the following is closest to your own view about the rate of deglobalization?



CEOs across regions differ in their views on the rate of deglobalization. Leaders in MENA and APAC see less pervasive acceleration, whereas CEOs in LATAM believe it is accelerating most rapidly.



04 Globalization, Recalibrated

Optimizing for Disruption

If it feels like the world is at a crossroads, CEOs and investors agree, with both camps evenly split over whether the state of geopolitics today is a unique and temporary phenomenon that can be navigated, versus the start of a long-term reordering of politics, policies and the post-World War II international order. "We are in a period of profound change in the global operating environment," says Kajiwara. "The many variables at play are tectonic, fast-moving and unprecedented. Therefore, maximum corporate agility is needed because it's very difficult to make a strong bet on exactly where things will go."

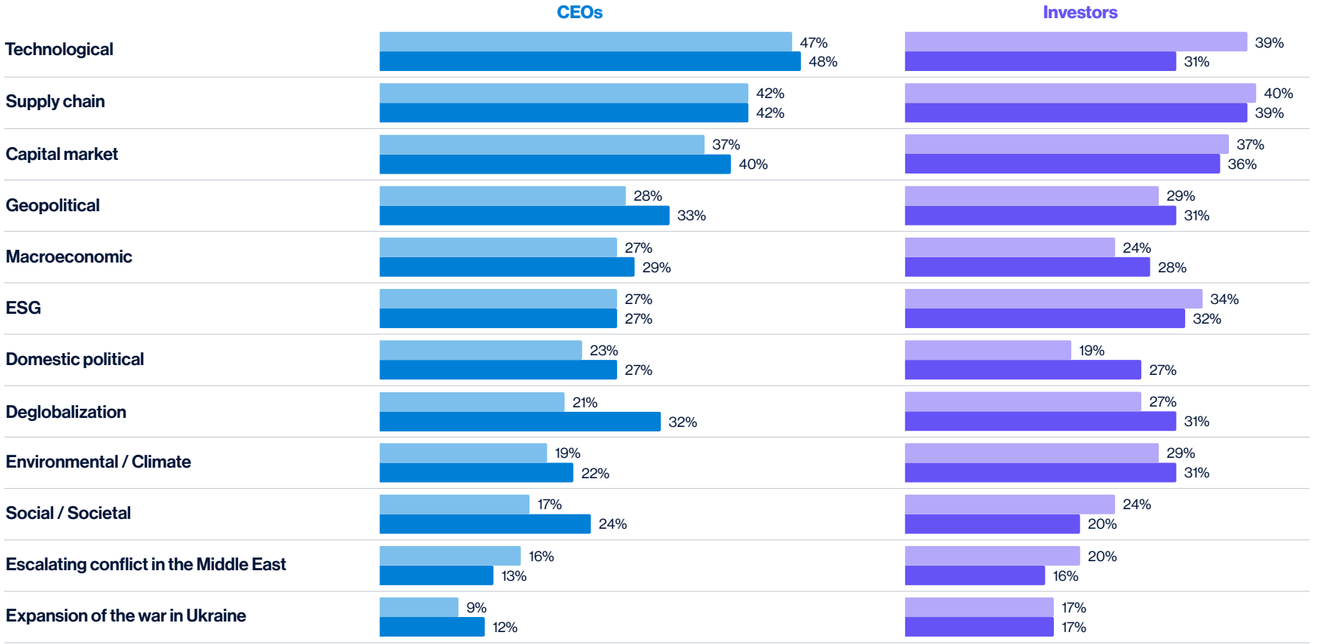
While most CEOs and investors say businesses are now optimized for disruption and unpredictable geopolitical conditions, CEOs are expecting more technological, supply chain and capital markets disruption than investors. However, they also feel confident in their preparations for handling these factors.

CEOs are particularly confident (83%) in their ability to handle ESG disruption, with 96% having already made changes to ESG policies and 48% refreshing their learning as to what matters most to their key stakeholders.

52% of **CEOs** see the current moment in geopolitics as a temporary phenomenon while **48%** believe it's the start of a long-term reordering.

Questions | In which of the following areas is your business preparing for further disruption in 2026? (CEOs)

| In which of the following areas are you expecting further disruption in 2026? (Investors)



Respondents believe the current moment in geopolitics is a **unique** and **temporary phenomenon**.

Respondents believe the current moment in geopolitics represents the start of a **long-term reordering.**

05 Scaling AI for Success

05 Scaling AI for Success

Global AI spending is expected to top $2 trillion USD in 2026.[1] Astronomical figures like this make it easy to forget this is still a relatively new investment priority. With this in mind, 2026 is the year of progress over perfection. Businesses are moving beyond experimentation to execution, with every decision analyzed and dissected at speed to inform the next in this fast-evolving landscape.

68%

of **CEOs** plan to increase AI spending in 2026.

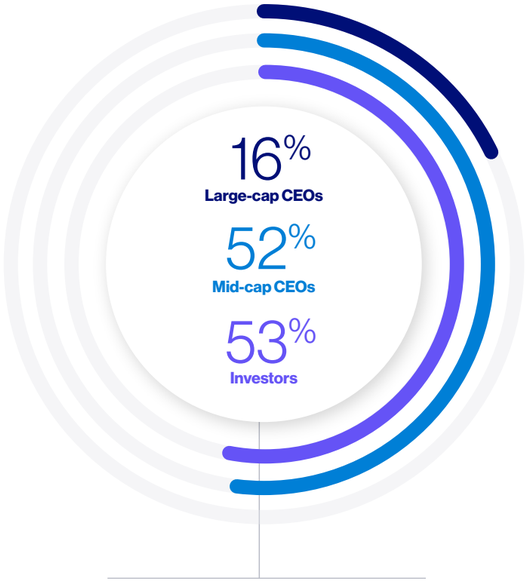
Seeking ROI, Spending Soars

AI is the only technology in which CEOs plan to increase investment at a faster rate than in 2025, underscoring its shift from an innovation line item to a core driver of competitiveness. Sixty-eight percent of CEOs expect to raise AI spend, and confidence in its value is strengthening: more than 84% of CEOs and investors say AI is meaningfully helping companies mitigate and navigate through disruption.

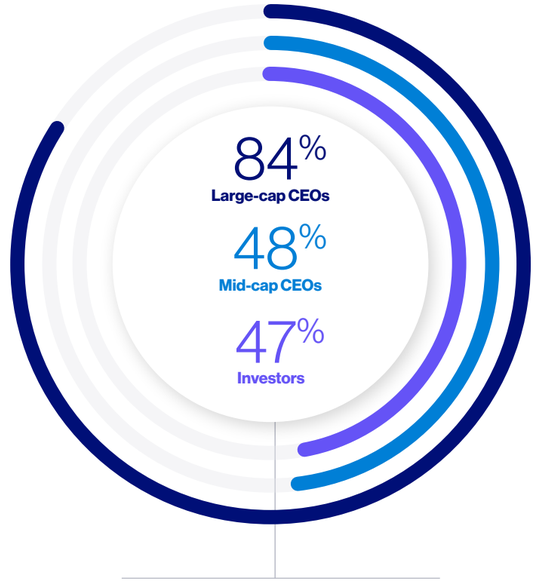
However, a growing gap is emerging between investor expectations and CEOs' realism. Over half of investors now expect new AI initiatives to deliver returns in six months or less, while only 16% of large-cap CEOs think that's achievable. Mid-cap CEOs show greater confidence for a pace of ROI that more closely matches investor expectations.

1. Gartner Says Worldwide AI Spending Will Total $1.5 Trillion in 2025

Question | For new AI initiatives, what is your timeline for expecting to see a positive ROI?



0-6 months



More than 6 months

05 Scaling AI for Success

CEOs report fewer than half of current AI projects are ROI-positive, but they are seeing the greatest gains across internal efficiency, administrative and customer-facing applications. Beyond ROI, CEOs and investors are seeing the most success across marketing and customer service AI strategies, while applications that pose the greatest potential risk and complexity (security, legal and HR) are the biggest challenges.

"The first wave of AI returns came from easy efficiency wins. The next wave is about rewiring core processes that inevitably have a longer, bumpier ROI curve," says Ryan Cox, Global Head of Artificial Intelligence, Teneo. "These use cases are higher risk and have greater potential impact. You don't rush them to market; you treat them as strategic change programs with board-level oversight, not experiments."

EU Regulation to Boost AI

86% EU CEOs | **95%** EU Investors

believe the EU AI Act will have a positive impact on businesses.

Question | What percentage of AI projects have delivered a tangible ROI?



06 AI: A (Work) Force Multiplier

06 AI: A (Work)Force Multiplier

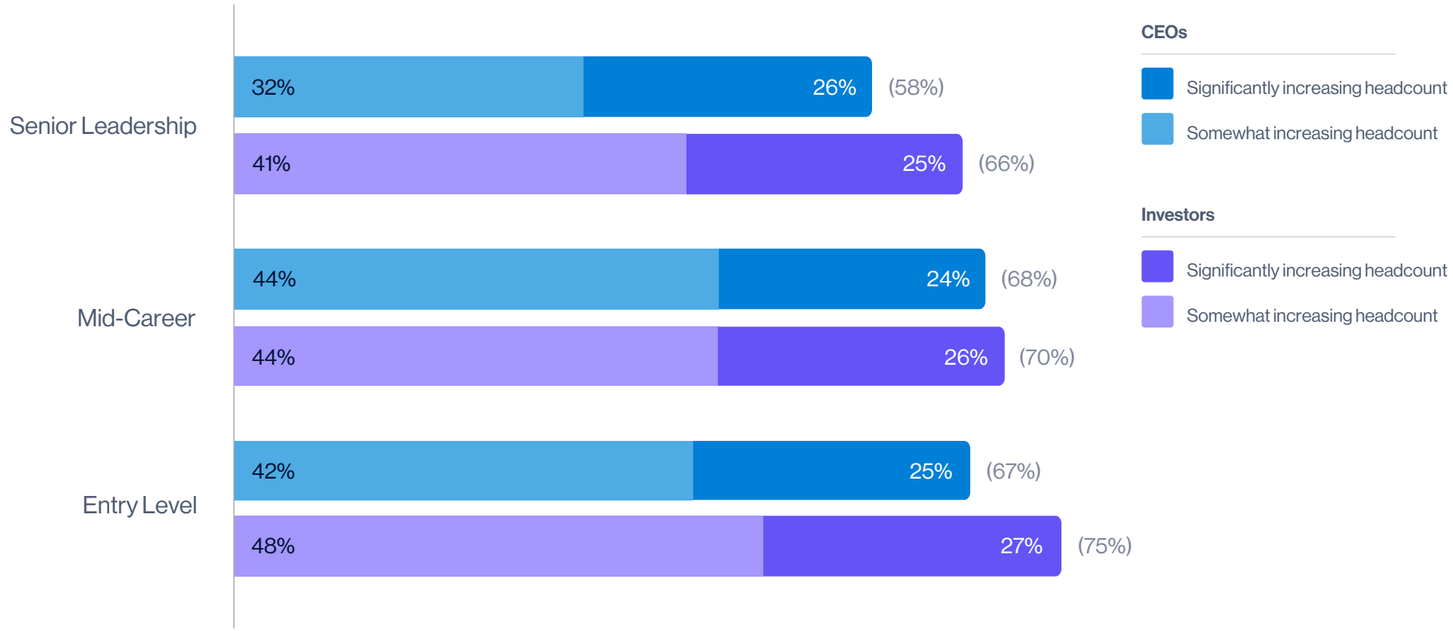
Reshaping the Workforce

Momentum in the market is reflected in internal people strategies, with most CEOs and investors expecting AI to drive an increase in hiring across all levels in 2026. This near-term shift is essential to unlock AI's future efficiency, cost and commercial potential — changes that will ultimately lead to a far-reaching impact on jobs. Sixty-seven percent of CEOs say AI is increasing entry-level headcount and 58% expect expansion of senior leadership roles. CEOs also rank increasing the use of AI and automation to augment the workforce (50%) and upskilling talent (46%) as the top priorities for their organizations in 2026.

It's not that AI is wiping out the workforce today— it's reshaping it.

Ryan Cox
Global Head of Artificial Intelligence, Teneo

Questions | How has AI changed your hiring strategy at the following levels? (CEOs)
| How should AI change corporations' hiring strategy at the following levels? (Investors)



06 AI: A (Work)Force Multiplier

New Era for Creative Leadership

The overwhelming majority of CEOs believe AI, innovation and agility are essential skills for the next generation of CEOs, while investors prioritize strategic thinking, intelligence and understanding. "This speaks to a maturity curve we're seeing with AI," says Cox. "We've moved past the phase where AI adoption was driven by a fear of missing out. Leaders today are using AI to redesign their operating model; not just to move faster, but to make sure the business is relevant and resilient five years from now."

This is also reflected in how CEOs view the division of responsibilities when it comes to AI implementations. The majority view setting the strategy as their main role, with technical aspects left to the CIO and CTO who are potentially better equipped to deal with the increasing technical complexity. Both lenses are essential: the CEO owns the business view of value and strategic impact, and the CIO owns the technology view of cost, timing and risk. The organizations that are pulling ahead are combining these conversations at the top of the house, rather than letting AI sit in a technology silo.

"It's exactly what happened 10 years ago when everybody was going through digital transformations," agrees Micah Alpern, Senior Managing Director, People Advisory, Teneo.

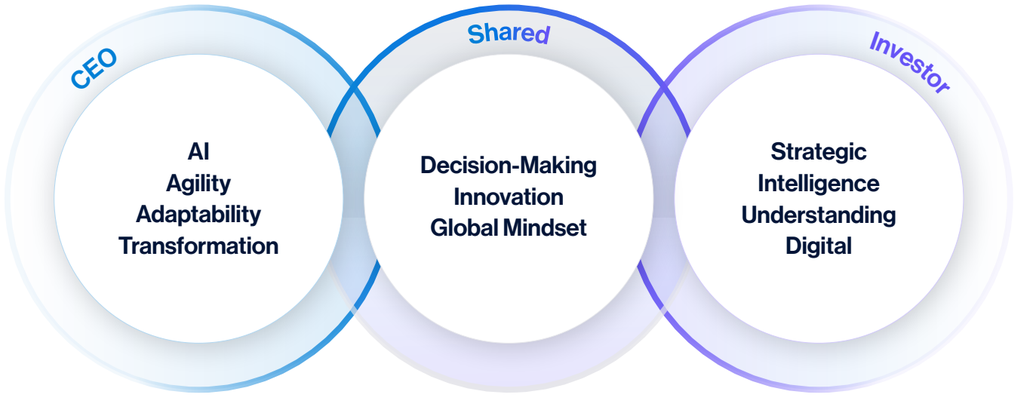
"It's not surprising, as CEOs need to be focused on many other strategic imperatives, but this AI opportunity is a fundamental shift that requires close steering from CEOs over the long term to ensure success, adoption and ROI."

A 2025 Teneo study, ***Leadership in the Age of AI***,[2] identified creativity, agility, sense-making, coaching and connectivity as key leadership qualities. These traits will help future leadership teams navigate an operating environment where all the normal rules have changed. Creativity was also cited as the most important ability leaders will need from their executive team, a bold mindset shift that proves leaders must move past rethinking the box – they have to redesign it entirely.

"Deriving competitive value from AI relies on capabilities that go far beyond technological skills," says Rosie Steele, Senior Managing Director, People Advisory, Teneo. "To thrive in a world of such seismic change requires new ways of leading people. From the survey results we can see that CEOs are embracing creativity and problem-solving as core future capabilities and are clearly approaching this with the right kind of open mindset."

2. Leadership in the Age of AI: The Five Skills Needed to Lead People and Agents | Teneo

Question | What skills and talents will the next generation of CEOs need to bring to your / their job?



> **Deriving competitive value from AI relies on capabilities that go far beyond technological skills.**
>
> **Rosie Steele**
> Senior Managing Director, People Advisory, Teneo

Methodology

For more information about the Vision 2026 survey, please contact vision@teneo.com

Teneo's Vision 2026 CEO and Investor Outlook Survey was conducted by the firm's in-house data, insights and analytics team. The survey includes the views of more than 350 global public company CEOs and 400 institutional investors representing approximately $19 trillion USD of company and portfolio value.

CEOs represent a global distribution of publicly traded companies with a minimum annual revenue of $1 billion USD. Large-cap companies are defined as $10 billion+ USD in annual revenue; mid-cap companies are defined as $1 billion USD – $9.99 billion USD in annual revenue.

Investors surveyed include a global sampling of professional investors in investment banking, institutional investing, venture investing, asset management, private equity and hedge funds.

The research was conducted between October 14th and November 10th, 2025.

Note: Some columns throughout the report may not total to 100% due to rounding.

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