European Round Table for Industry

# Economic Confidence Survey (ECS)

# Content

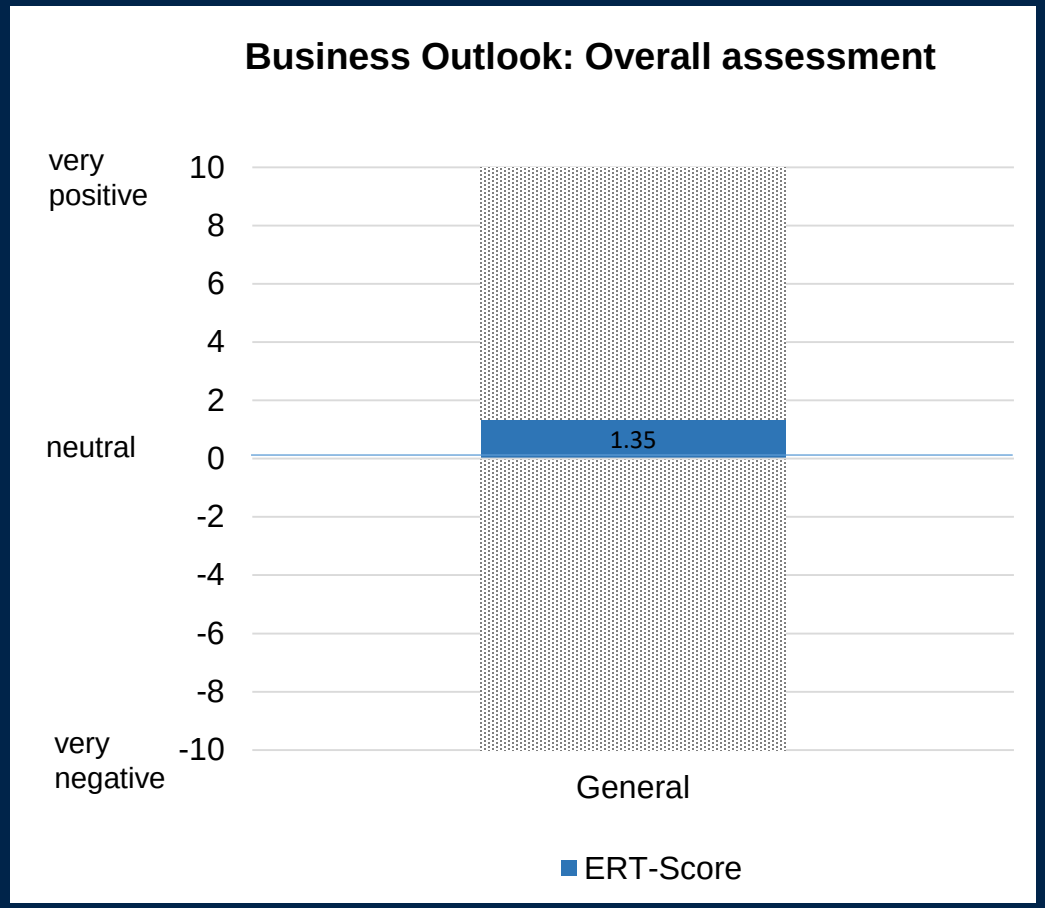

1. ERT Confidence Index
2. General Business Outlook
3. Business Outlook in 3 categories
    a. Sales
    b. Investment
    c. Employment
4. Special Question: Importance of B2B Platforms

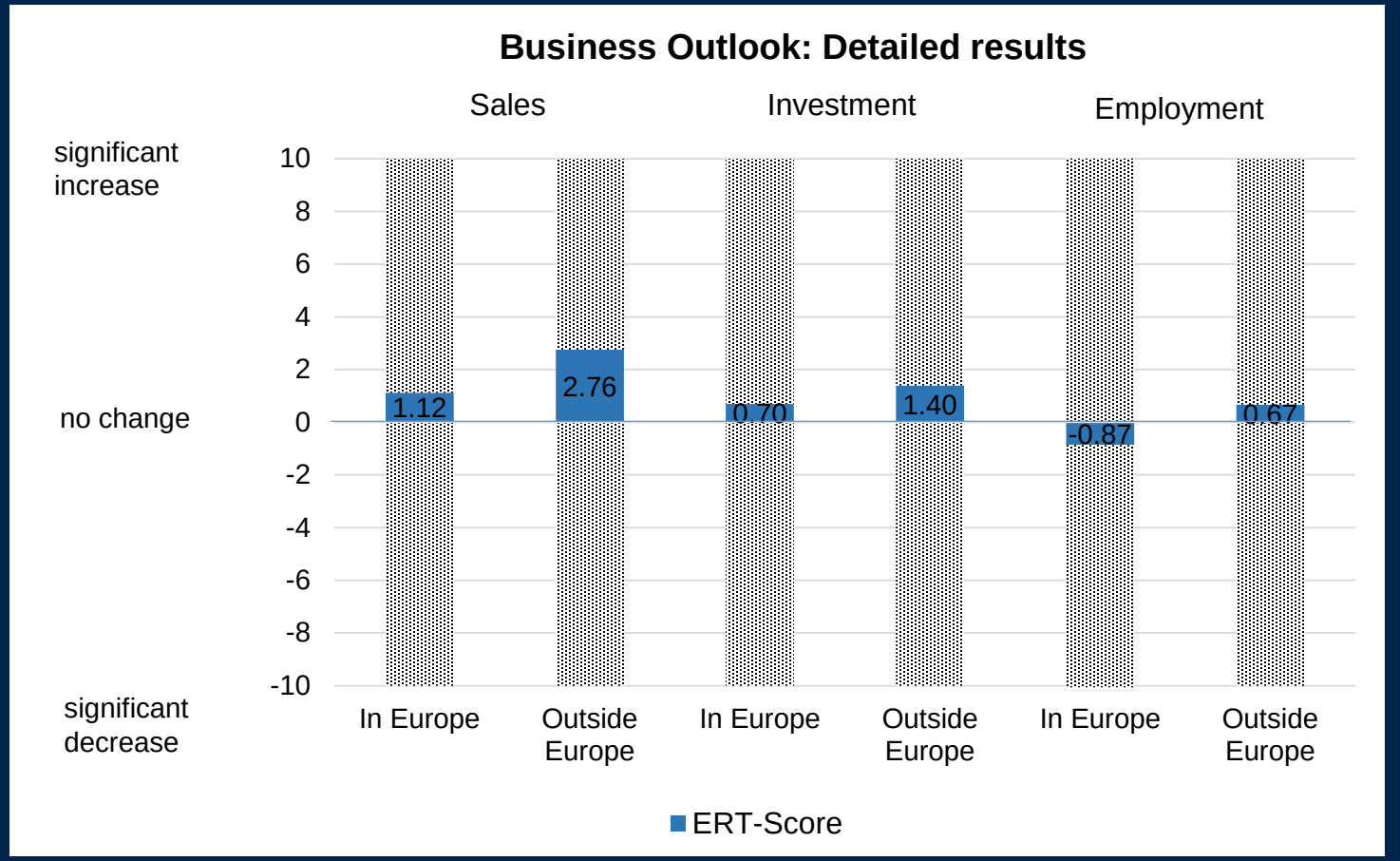

**Key facts:**

- 5th edition of the bi-annual survey
- Data collection: October and November 2019
- Total number of answers (N): 52 (out of 60)
- Answers provided by: CEOs or Chairs of Europe‘s top industrial companies
- Topic: Business outlook in next 6 months and attitude towards important political topics

# ERT Confidence Index
# - summary -

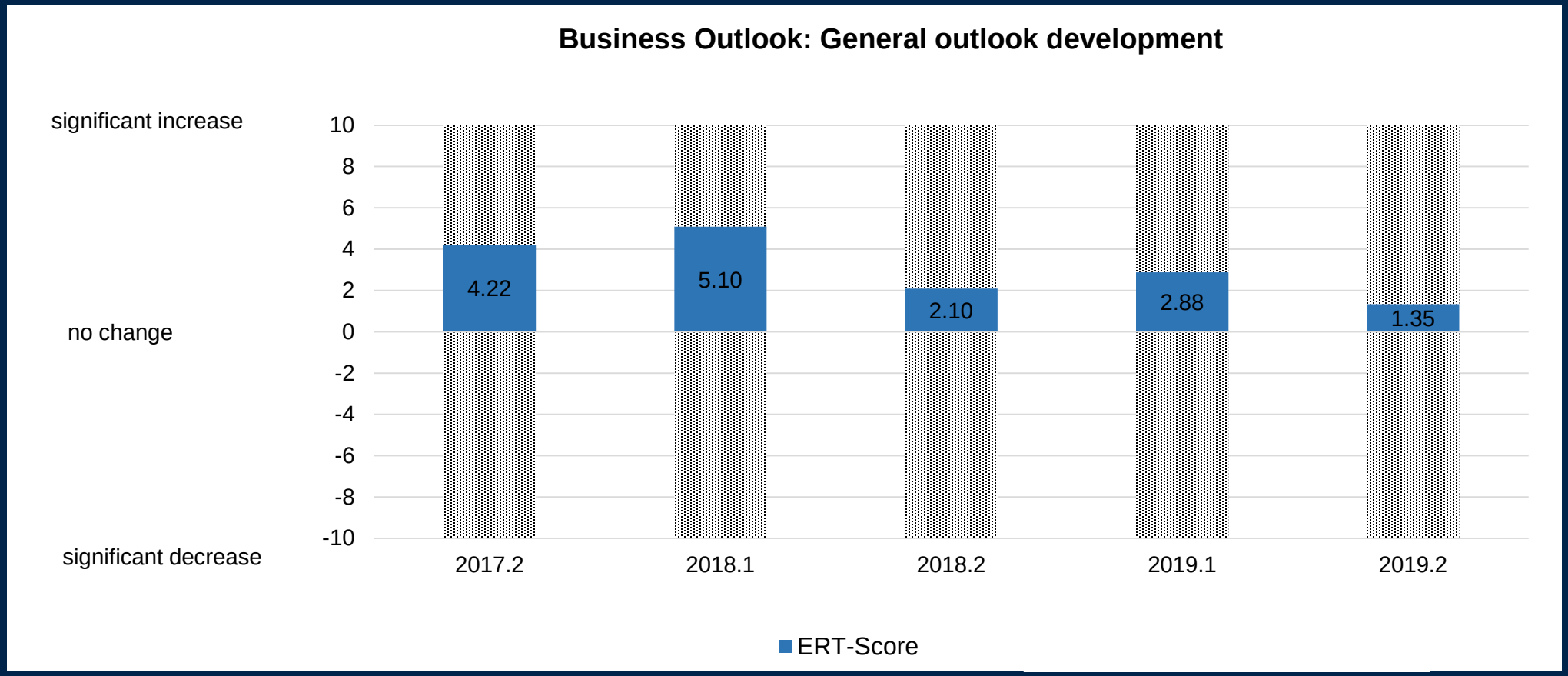
# ERT Confidence Index



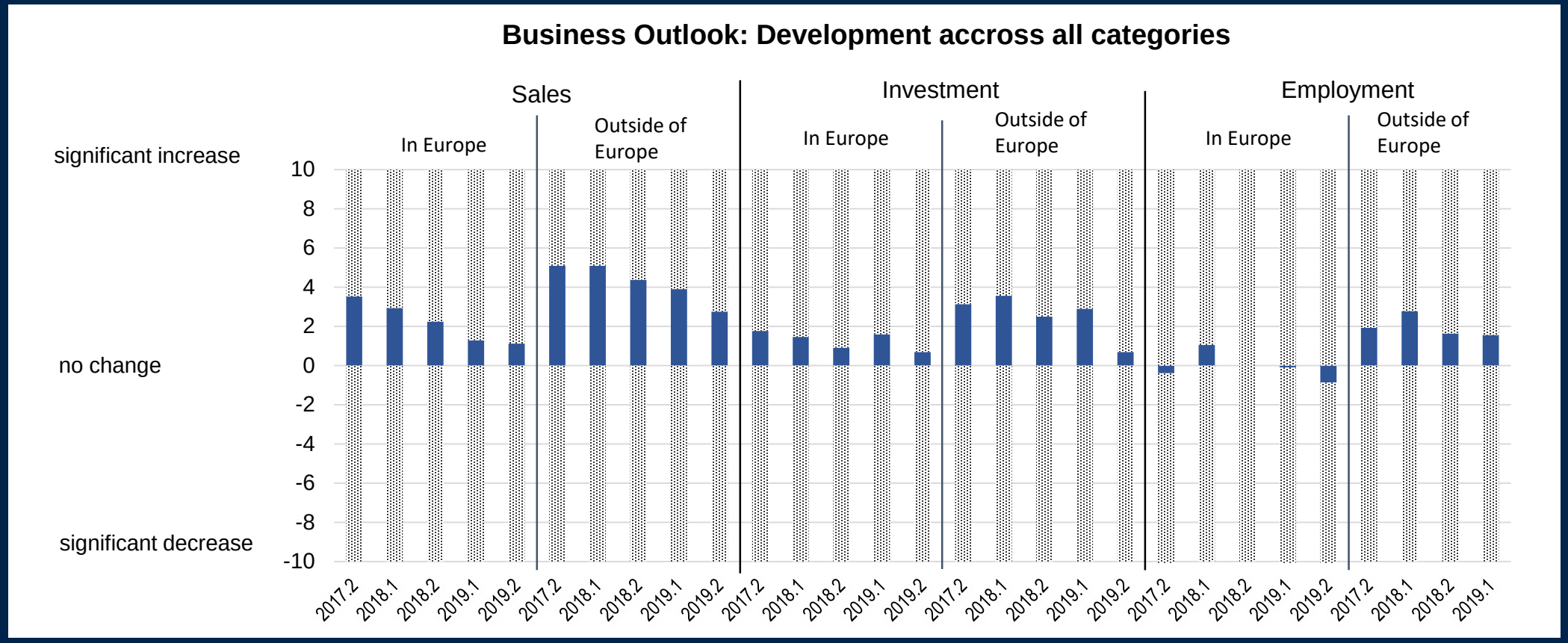

Sources: ERT Confidence Survey 2019/2

# ERT Confidence Index: Historic Development




Sources: ERT Confidence Survey 2019/2

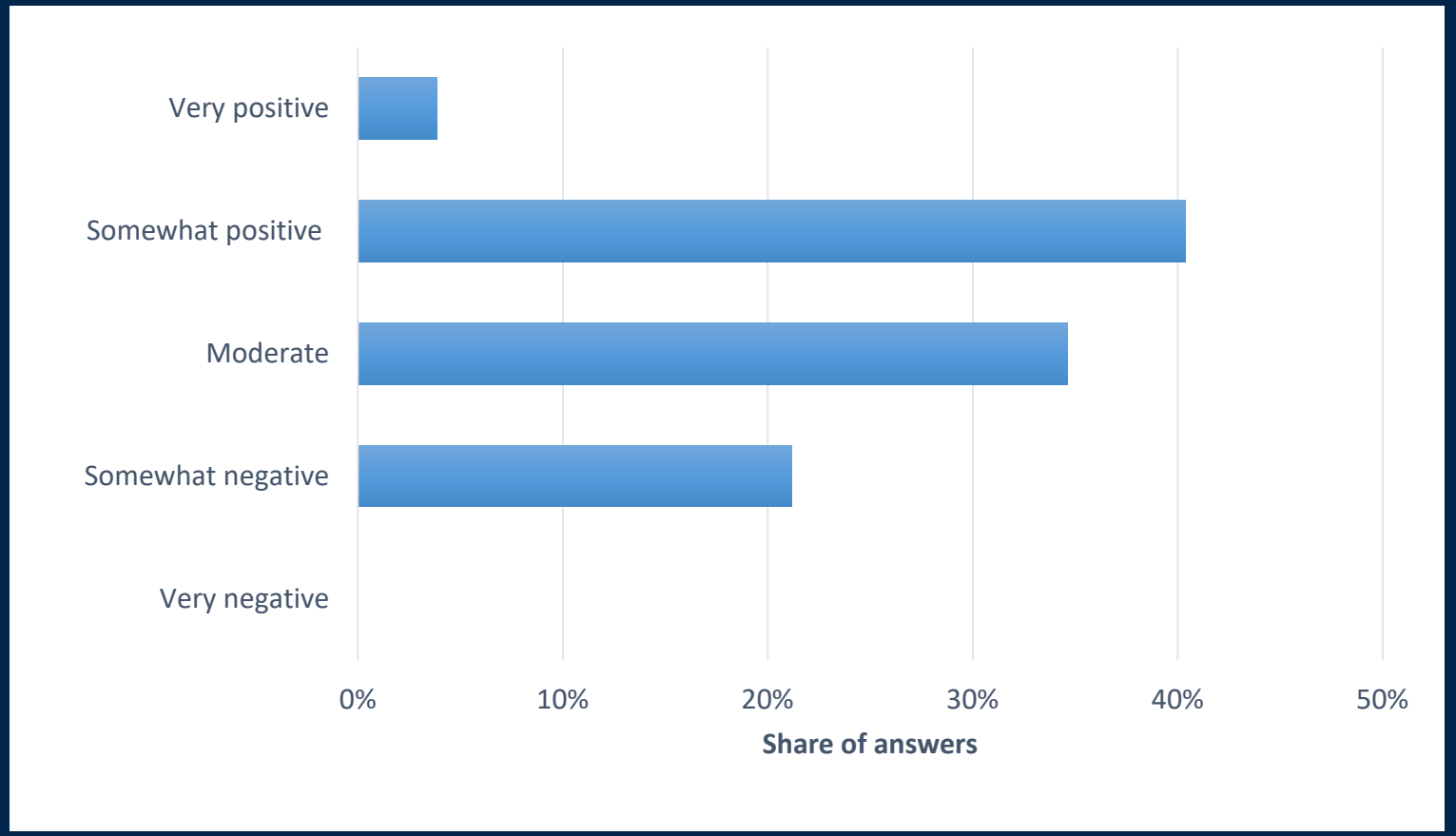
# ERT Confidence Index: Historic Development




Sources: ERT Confidence Survey 2019/2

# General Business Outlook

# How would you characterise the general business outlook for your company right now?




Sources: ERT Confidence Survey 2019/2

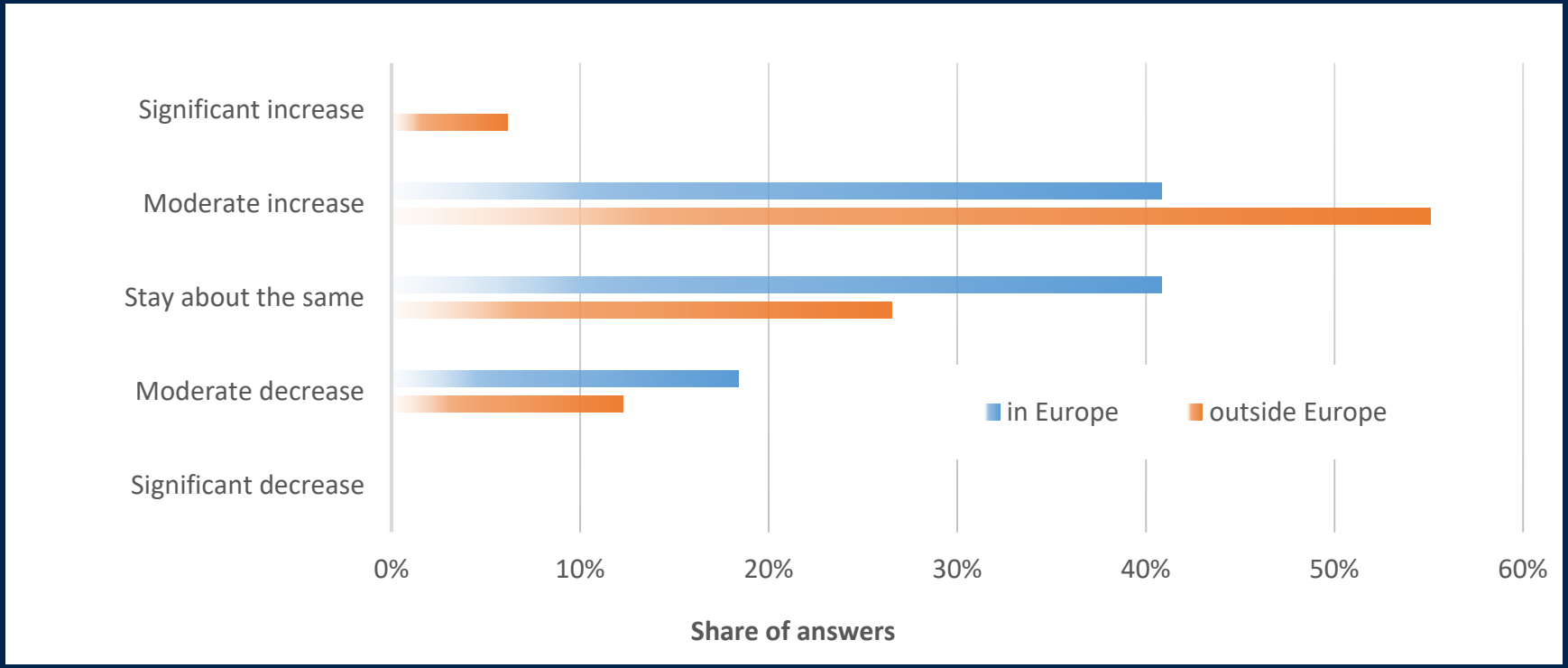
# Business outlook in 3 categories:

Sales

Investment

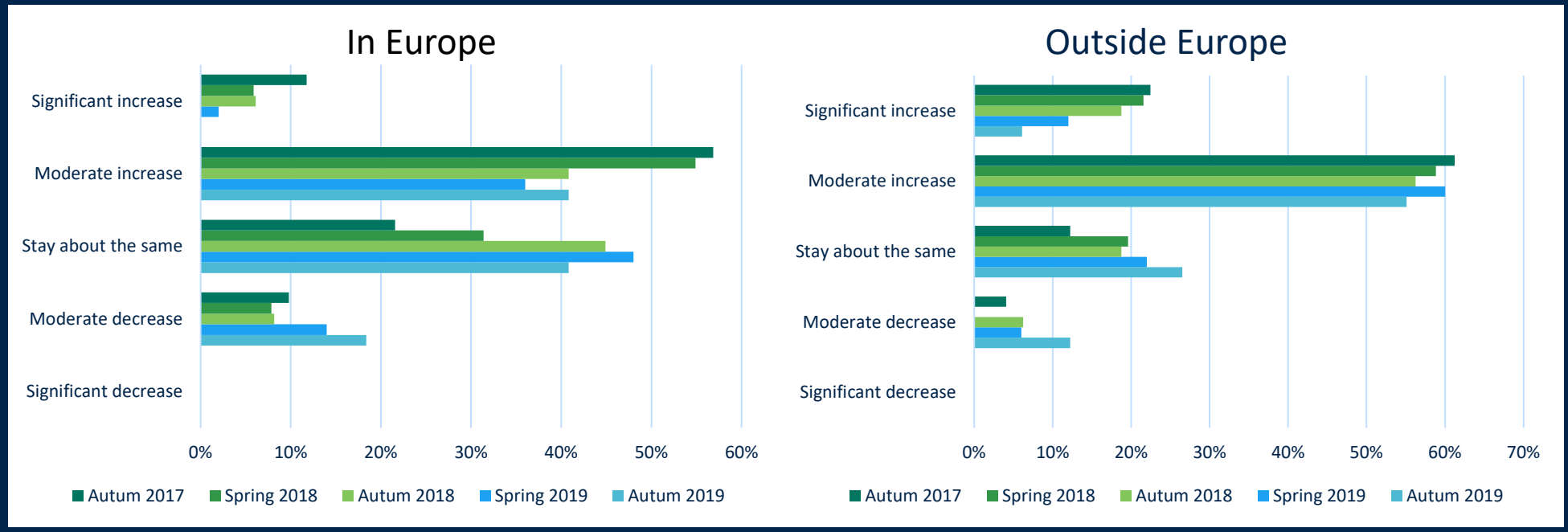
Employment

# Over the next six months, what do you expect will happen with your company's sales?



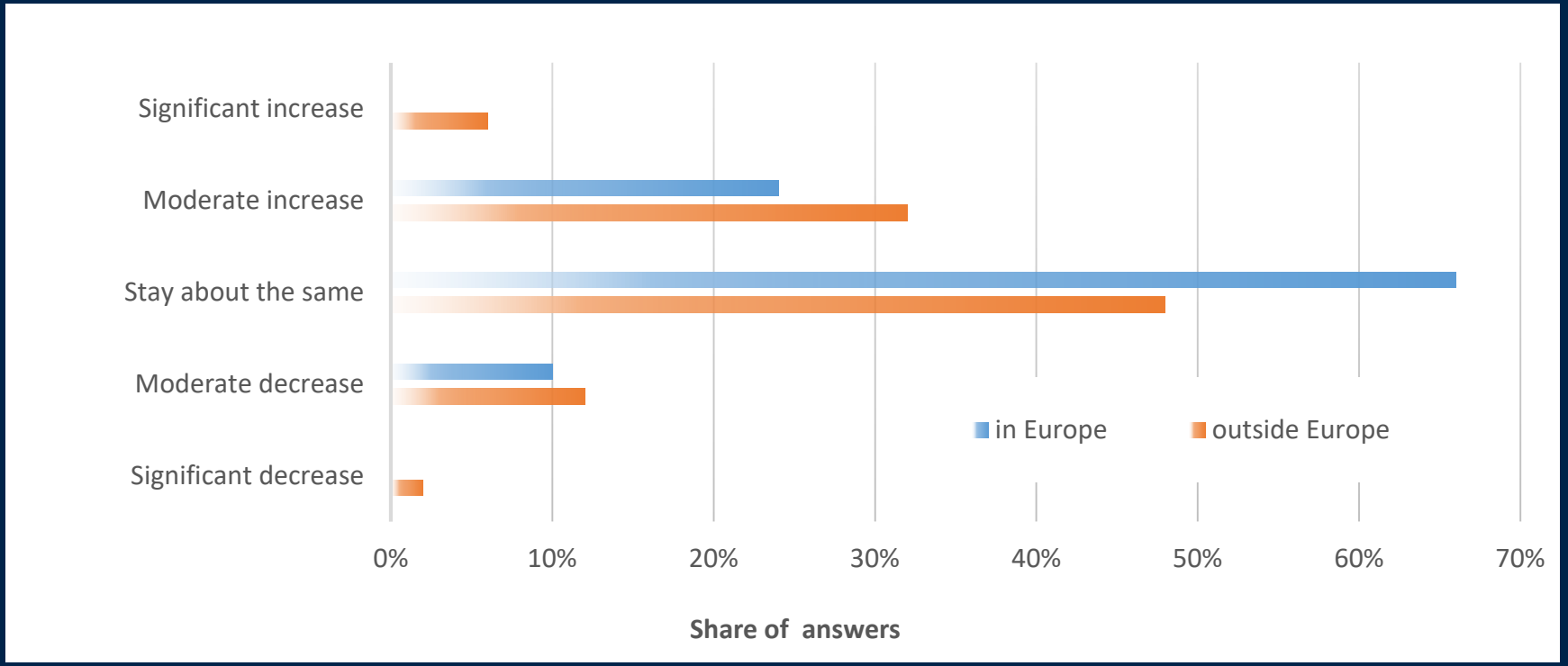

Sources: ERT Confidence Survey 2019/2

# Comparison to the last surveys: Next six months sales expectations



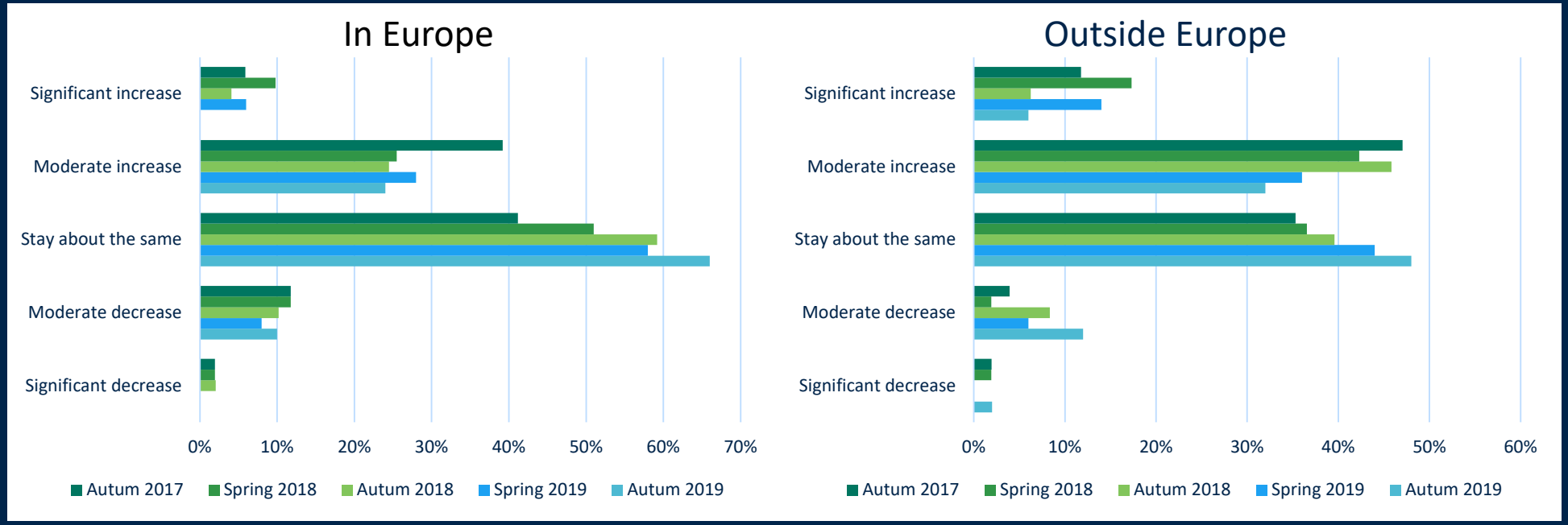

Sources: ERT Confidence Survey 2019/2
ERT Confidence Survey 2019/1
ERT Confidence Survey 2018/2
ERT Confidence Survey 2018/1
ERT Confidence Survey 2017/2

# Over the next six months, what do you expect will happen with your company's capital investment?



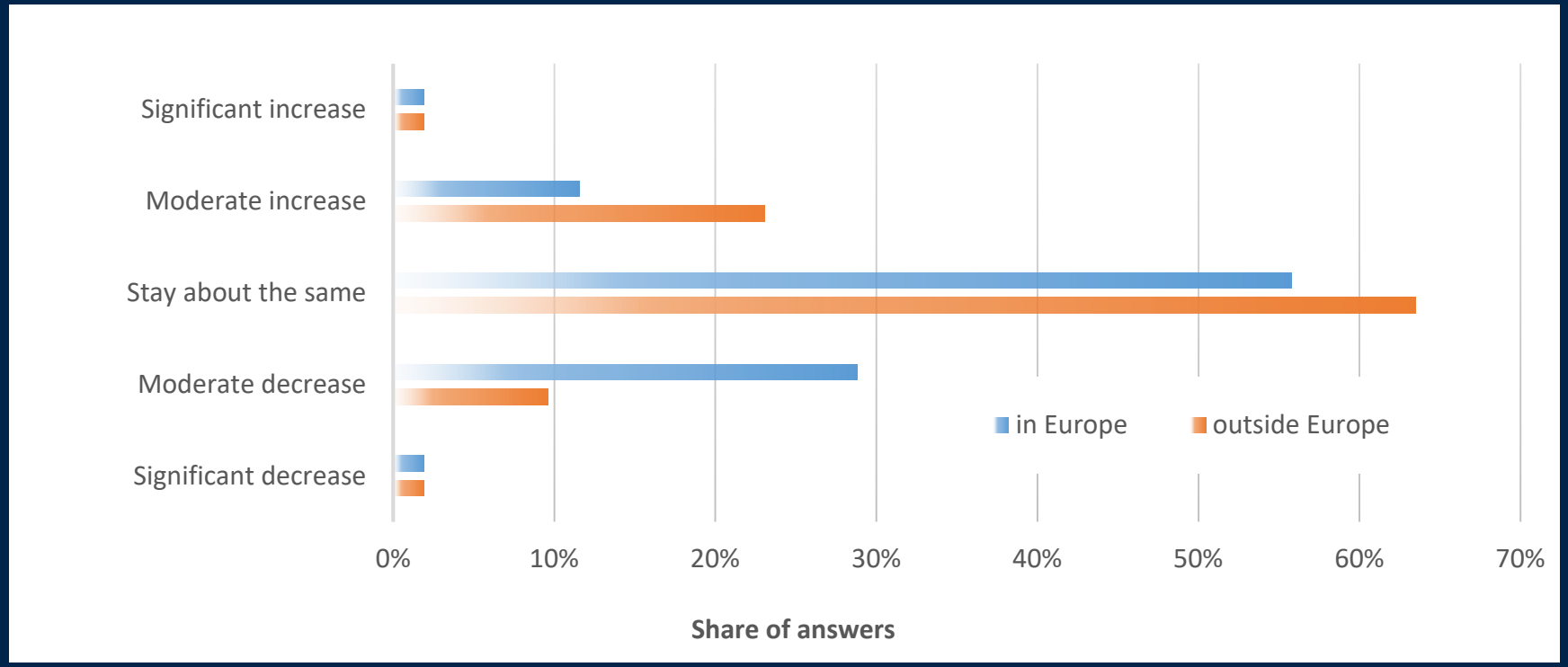

Sources: ERT Confidence Survey 2019/2

# Comparison to the last surveys: Next six months investment expectations



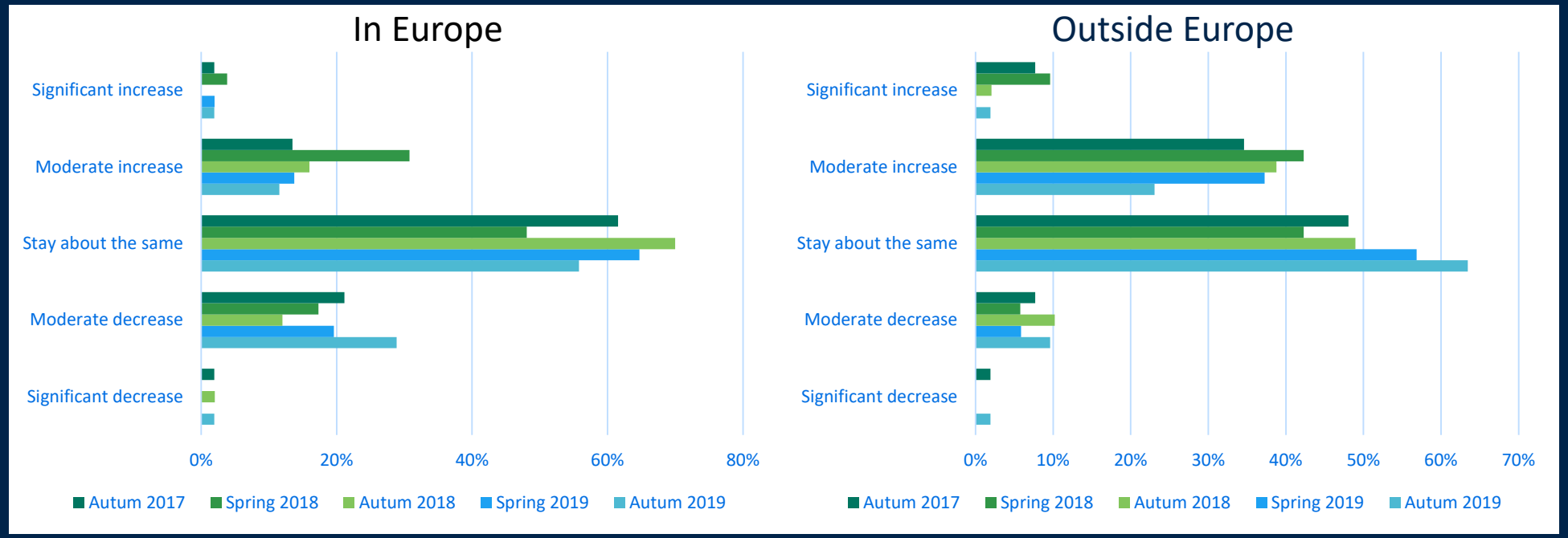

Sources: ERT Confidence Survey 2019/2
ERT Confidence Survey 2019/1
ERT Confidence Survey 2018/2
ERT Confidence Survey 2018/1
ERT Confidence Survey 2017/2

# Over the next six months, what do you expect will happen with your company's employment?




Sources: ERT Confidence Survey 2019/2

# Comparison to the last surveys: Next six months employment expectations



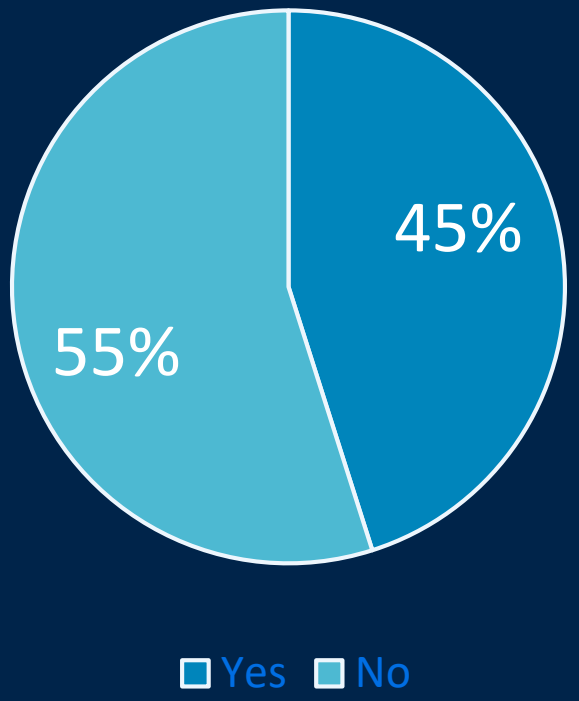

Sources: ERT Confidence Survey 2019/2
ERT Confidence Survey 2019/1
ERT Confidence Survey 2018/2
ERT Confidence Survey 2018/1
ERT Confidence Survey 2017/2

# Special Questions:

## Importance of B2B Platforms

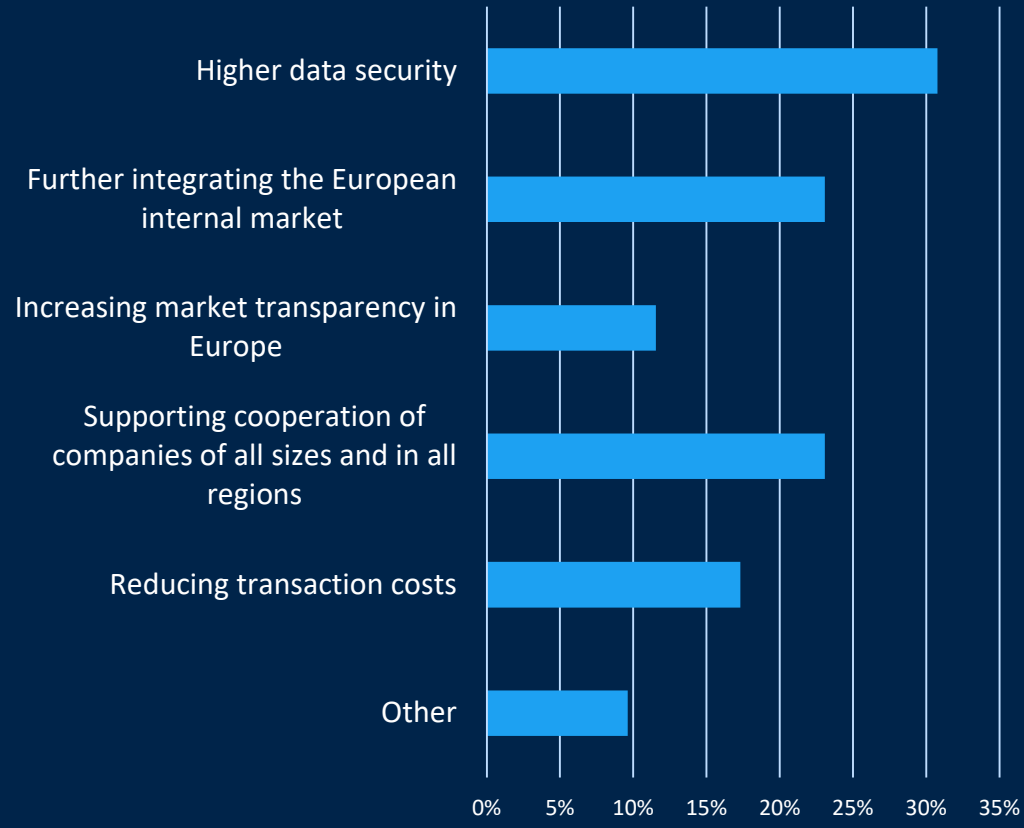
# European B2B Platforms

Is there a need for additional European B2B platforms?



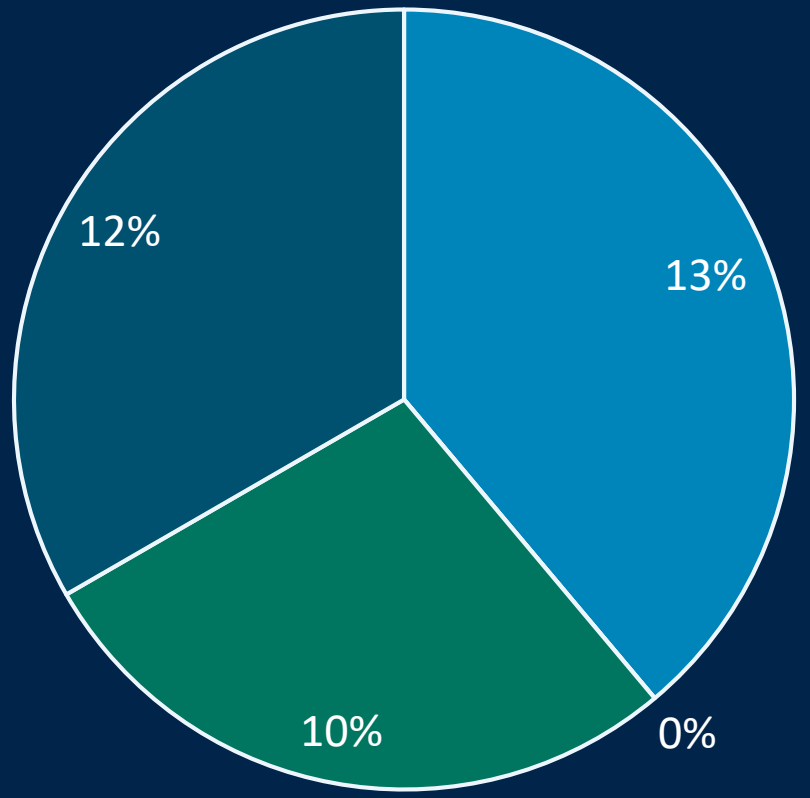

If yes

The most important advantages of additional European B2B platforms




Sources: ERT Confidence Survey 2019/2

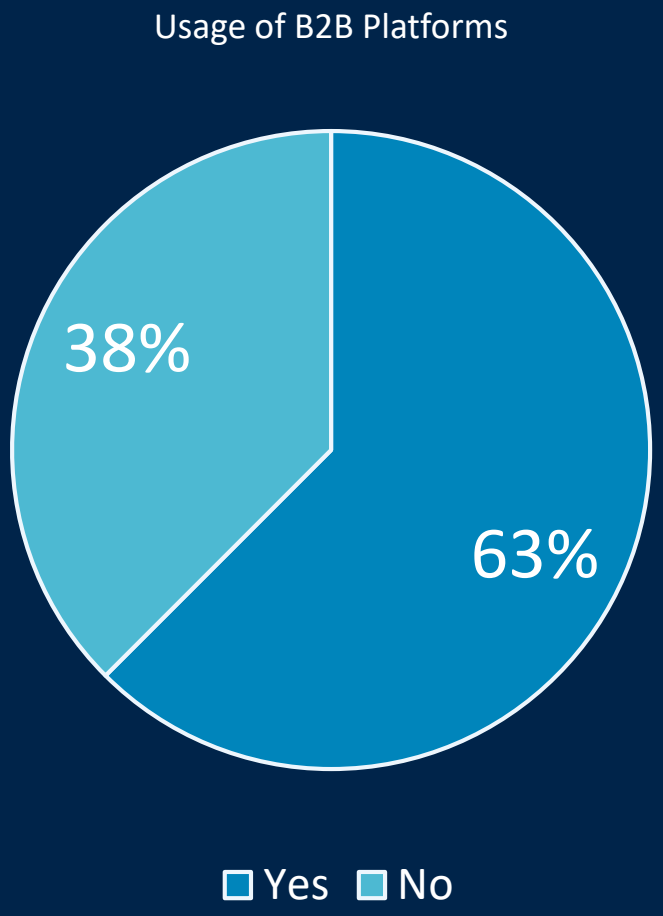
# What type of European B2B platform is necessary?




- A transactional platform to connect larger contracted accounts
- A webshop
- A marketplace (such as Ebay or Amazon for business)
- A vertically integrated industry platform offering products and services

Sources: ERT Confidence Survey 2019/2

# Do you already use a B2B Platform?




- Various types of digital B2B plattforms are already in use (Marketplace, Webshop, ect)

- Platforms are mostly used
  - to conduct business more effectively
  - for transparency
  - for strategic reasons (e.g. development of future business models)

Sources: ERT Confidence Survey 2019/2

# Appendix 1

## Reference forecast (2019/2020): European Economic Forecast Autum 2019

| ***GDP Development*** | | |
|---|---|---|
| *EU28* | *2019* | *2020* |
| *Expected GDP growth* | ***1.4%*** | ***1.4%*** |
| *Expected growth of exports* | *2.5%* | *2.3%* |
| *Euro Area* | | |
| *Expected GDP growth* | ***1.1%*** | ***1.2%*** |
| *Expected growth of exports* | *2.4%* | *2.1%* |
| *World* | | |
| *Expected GDP growth* | ***2.9%*** | ***3.0%*** |
| *Expected growth of world trade*[1] | *1.3%* | *2.2%* |

| ***Employment Development*** | | |
|---|---|---|
| *EU28* | *2019* | *2020* |
| *Employment growth* | *1.0%* | *0.5%* |
| *Unemployment rate* | *6.3%* | *6.2%* |
| *Euro Area* | | |
| *Employment growth* | *1.1%* | *0.5%* |
| *Unemployment rate* | *7.6%* | *7.4%* |
| ***Consumption and Capital Formation*** | | |
| *EU28* | | |
| *Gross Fixed Capital Formation* | *3.8%* | *1.8%* |
| *Private Consumption* | *1.4%* | *1.5%* |
| *Public Consumption* | *1.8%* | *1.7%* |

Source: ECFIN: European Economic Forecast Autum 2019

[1]: Global export volume

# Appendix 2

Construction of the ERT Index Score:

The ERT Index is a quantitative measure to ease the interpretation of the results of the survey, enable comparison between different survey waves and also between the assessment of the likely development between regions. The index turns the shares of firms expecting a “significant increase”, a “moderate increase”, “no change”, a “moderate decrease” or a “significant decrease” into a single number.

The index is built as follows:

$$Index = \frac{1}{N}(n_1 \times 10 + n_2 \times 5 + n_3 \times 0 + n_4 \times (-5) + n_5 \times (-10))$$

Where $n_1$ to $n_5$ represent the number of participants who chose the different answer options with $n_1$ indicating a significant increase to $n_5$ indicating a significant decrease. The sum in parentheses is divided by the total number of responses $(N)$ to bind the index between 10 and – 10.

In case all ERT member expect a significant increase (decrease) the index will take the value of 10 (-10). If the responses are equally distribute between the 5 categories the index amount to 0. Positive values of the index correspond to positive expected growth rate of the underlying variable, negative values to a negative growth expectations. The construction also implicitly links larger values of the index to larger growth rates.

# Appendix 3

Field Work

Data collection: October 16 to November 8

Total response: 52 out of 60 ERT members

Response rate: 87%

Field work: (1) Email by the survey team containing the link to the survey was to ERT associates and/or ERT members personal assistant. ERT secretariat supported the survey by an email to ERT members
(2) Telephone follow-ups starting October 24.
(3) Additional emails to ERT assistants and associates to remind them to respond (in cases where no response is recorded by then) between October 24 and November 5.