



Press Release

Top European corporate leaders hopeful of post-COVID rebound, but do not expect V-shaped recovery

- Survey of CEOs & Chairs of major Global companies reveals over half anticipate economic recovery between one and two years and the remainder expect it to take even more than two years.
- Survey results reflect a continuing picture of uncertainty for the remainder of 2020
- Postponement of planned investments, temporary shutdowns and increased external funding are among the most prominent responses to secure long-term business viability
- US and European CEOs & Chairs aligned on short term outlook

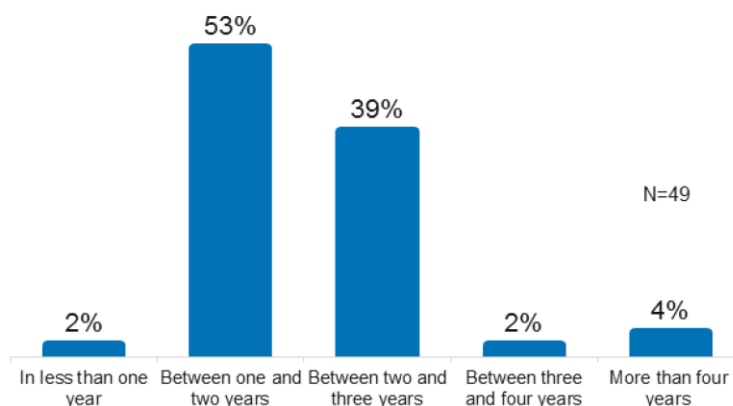
BRUSSELS, 19 MAY 2020: As the COVID-19 crisis continues, the results of a new survey of the leaders of some of Europe's biggest industrial and technology companies released today¹, reveal new insights into the current levels of economic confidence and the outlook for the Global economy.

The Conference Board Measure of CEO Confidence™ for Europe polls corporate leaders in the European Round Table for Industry (ERT) - the CEOs and Chairs of some of the most recognisable European brands with operations worldwide. While they were nearly all unanimous about the deterioration of business conditions over the past months, the survey revealed mixed views on the short- and medium-term outlooks.

For the next six months, results were divided between those who expect prospects to improve and those who expect them to worsen, as they grapple with the evolving dynamics of the crisis and its different impacts: a combined figure of 56% expect business conditions to become better in the short-term. A combined total of 39% expect conditions to become worse.

If the COVID-19 pandemic were to end immediately, a combined figure of 54% of respondents expect it would take a year or even less for their revenue to recover to the pre-pandemic levels. For the global economy however, 53% expect recovery to take between one and two years and a combined total of 45% expect it to take even more than two years. The difference may be attributed to the cross-sectoral diversity of the participating companies as distinct from the composition of the global economy as a whole – or indicate that signs are mounting that the pandemic won't end soon.

How long do you estimate it will take for the global economy to recover from the COVID-19 crisis?



Source: The Conference Board Measure of CEO Confidence™ for Europe, by ERT – 2020H1 results

Dr Martin Bruder Müller, Chairman of the ERT Committee on Competitiveness & Innovation and Chairman of the Board of BASF, commented *“This new decade has begun with an unprecedented shock to the global economy. In order to help alleviate the huge challenges caused by the crisis, European industrialists have adjusted their operations² to steer their business through the storm, bolster support services and supply much-needed products, in close alignment with governments.”*

He added *“The crisis has not changed ERT Members’ commitment to the twin transitions to the green and digital economies. Long-term sustainability will only be achieved if competitiveness and economic resilience are rebuilt effectively. Short-term measures need to support a restart of the economy, but this is also the opportunity to be more ambitious: deepening the Single Market and removing trade barriers between countries.”*

Managing the Business Impact of COVID-19

Since 2017, ERT has asked CEOs and Chairs about their expectations for capital investment, sales, and employment for their own company over the next six months. On this occasion, the summary measure for all three variables combined showed a record pessimistic reading.

There are higher expectations for capital investment, sales & employment outside European market than inside. This difference between the expectations inside & outside Europe has appeared in previous years’, due to the maturity of the European market, but on the occasion, the differences are much smaller, emphasising the truly global nature of the current crisis.

In addition to the confidence-related measures, CEOs and Chairs were asked several questions specifically related to the steps they are taking to secure the long-term future of their businesses, as the COVID-19 crisis continues.

Among the broad variety of measures proposed in the survey, the ones that scored highest included postponing investments (32%), temporary shutdowns (31%) and increased external funding (21%).

Transatlantic Shared Sentiments

The views of ERT Members on the short term outlook were quite comparable with those of [chief executives in a companion US survey](#), which was conducted by The Conference Board in late March. Corporate leaders on both sides of the Atlantic share a very pessimistic view

of the current business and economic conditions, but a majority believe that conditions will improve for their business and for the economy in the next six months.

ENDS

Notes for Editors:

¹ To download a copy of the full report, go to: <https://ert.eu/focus-areas/competitiveness/>

² The companies led by the Members of ERT span a variety of sectors, including aerospace, automotive, chemicals, clothing, construction, energy, food & beverages, healthcare & pharma, software and telecoms. Since February, they have been engaged in the fight against COVID-19, contributing in a wide variety of ways.

To find out more about the **COVID response actions of ERT Members**, go to: <https://ert.eu/data/covid-19/>

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About the European Round Table for Industry (ERT)

The European Round Table for Industry (ERT) is a forum that brings together around 55 Chief Executives and Chairs of leading multinational companies of European parentage, covering a wide range of industrial and technological sectors. ERT strives for a strong, open and competitive Europe, with the EU and its Single Market as a driver for inclusive growth and sustainable prosperity. Companies of ERT Members have combined revenues exceeding €2 trillion, providing direct jobs to around 5 million people worldwide - of which half are in Europe - and sustaining millions of indirect jobs. They invest more than €60 billion annually in R&D, largely in Europe.

www.ert.eu

About The Conference Board Measure of CEO Confidence™ for Europe by ERT

The Conference Board and ERT have established a collaboration to create a new measure of CEO Confidence for Europe. The measure ranges from 0 to 100. A reading of less than 50 reflects more negative than positive responses; a reading of more than 50 reflects the opposite. The measure is based on results from three survey questions about: 1) business and economic conditions now; 2) conditions in six months; and 3) prospects for respondents' own industries.

The survey was fielded between **April 9 and April 28, 2020** to 56 ERT members. 52 replied to the regular questions, resulting in a response rate of 93 percent. 49 replied to the special questions related to the COVID-19 outbreak.

The Conference Board has surveyed CEOs in the US on a quarterly basis since 1976. In Europe, the survey will be conducted twice a year.

About The Conference Board

The Conference Board is the member-driven think tank that delivers trusted insights for what's ahead. Founded in 1916, we are a nonpartisan, not-for-profit entity holding 501 (c) (3) tax-exempt status in the United States.

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