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

Complex and Incoherent Regulation Puts Pressure on Europe's Competitiveness And Green Transition Efforts

2023 H2 RESULTS

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by Konstantinos Panitsas

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In autumn 2023, The Conference Board Measure of CEO Confidence™ for Europe by ERT plunged back into negative territory to 42. Only six months ago confidence had appeared to be stabilizing at a low, but positive 53. The current survey was in the field from September 26th to October 11th. A reading above 50 reflects more positive than negative responses.

CEOs in our report raise alarm that, for the foreseeable future, complex and incoherent regulation will have a detrimental impact on Europe's global competitiveness and the majority are pessimistic about policymakers' ambition to restore the EU's regulatory coherence over the next three years. Moreover, an overwhelming 70 percent of CEOs are not confident that Europe's administrative processes enable physical infrastructure projects needed for achieving its climate targets by 2030.

Insights for What's Ahead: The Conference Board Measure of CEO Confidence™ for Europe by the European Round Table for Industry (ERT)

- **The Conference Board Measure of CEO Confidence™ for Europe by ERT falls, from a barely positive 53 six months ago, to 42 in the second half of 2023.** All three subcomponents of the confidence measure are in negative territory. The current level of confidence is only somewhat higher than it was in the first half of 2022, right after the start of the war in Ukraine.
- **A gloomy assessment of the current economic outlook is the main driver behind the fall in the overall measure.** Only 15 percent of CEOs find that current business conditions have improved from six months ago, while 61 percent of respondents say they have worsened either moderately or substantially.
- **Only a small share of CEOs, less than 10 percent, expect economic conditions to improve in the short-term.** This sub-component of the overall measure drops from 49 six months ago to 42 in H2 2023.
- **In parallel with Europe, The Conference Board CEO Confidence™ surveys in the US and China were also completed in October.** In the US, CEOs' confidence fell from 48 in Q3 to 46 in Q4, with the majority expecting a recession over the next 12 – 18 months. On the contrary, confidence among China-based CEOs, despite losing significant steam from six months ago, remained in positive territory at 56.
- **Despite the fall in the overall measure of CEO Confidence, business leaders' views on their own company's sales, employment, and investment remained in positive territory for both inside and outside of**

Europe. Expectations for short-term prospects of these three key indicators are more positive for outside of Europe than inside.

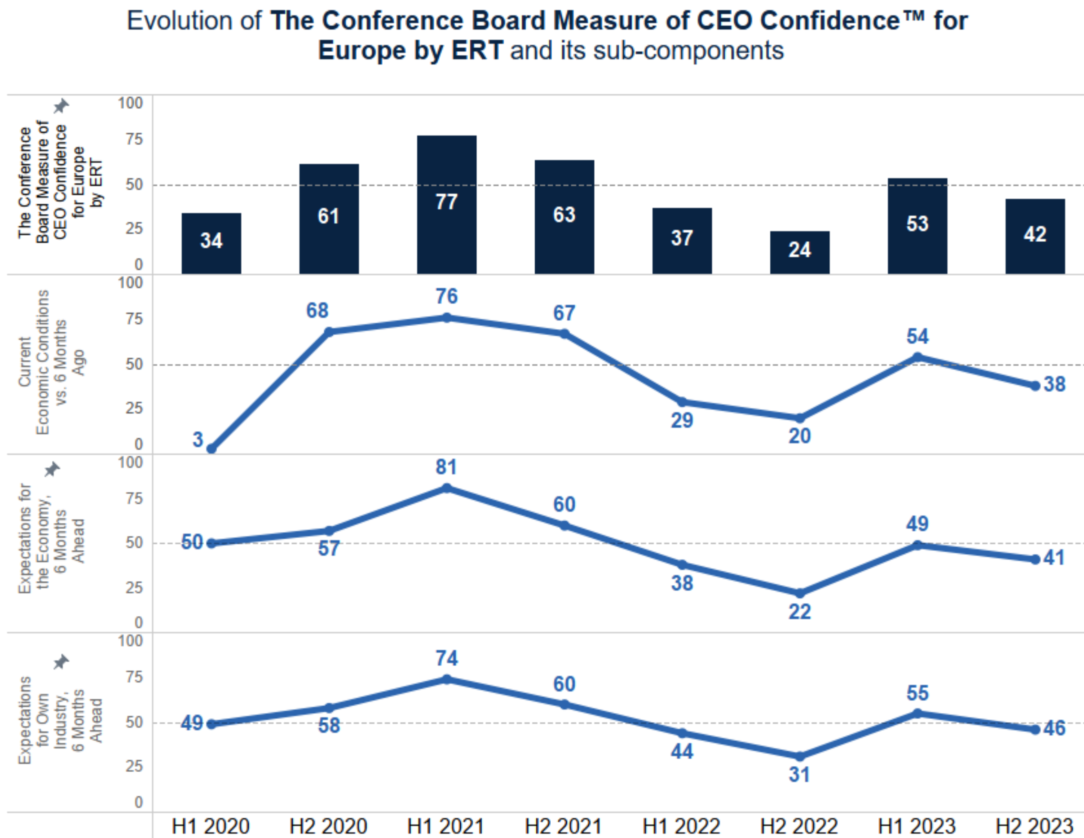
- **A majority of CEOs rank a complex and/or incoherent regulatory environment as the number one risk-factor regarding European global competitiveness over the next three years.** High energy prices and exposure to geopolitical tensions are seen as the next two biggest factors having a significant and lasting impact on Europe's ability to compete. A lack of skilled workers is also expected to take its toll.
- **While regulation is seen as the number one obstacle undermining European competitiveness, only a small number of CEOs - just 15 percent - are optimistic that policymakers will launch ambitious actions to restore regulatory coherence and/or reduce administrative burden in Europe over the next three years.**
- **Similarly, there is significant lack of confidence among CEOs that legislators will take decisive actions to advance Single Market integration and counteract a shortage of skills in the labor force over the next three years.** Only 35 percent of respondents are either somewhat or very optimistic about the advancement of Single Market integration, while 41 percent are optimistic about policymakers counteracting skill shortages.
- **In contrast, a large percentage of CEOs are confident to see ambitious policy actions in terms of incentives for investments in the green transition in the near future.** Fifty-four percent of CEOs say they are either somewhat or very optimistic that policymakers will take ambitious actions to improve energy infrastructure over the next three years.
- **And yet, despite the widespread expectations that policy efforts around the green transformation will accelerate, few CEOs are confident that Europe has the right conditions in place to build the physical infrastructure needed for achieving the green transition by 2030.** Forty-three percent of CEOs are not confident Europe has sufficient financial means to achieve its climate targets by 2030, and another 60 percent believe that there are not enough skilled workers. A striking 70 percent of respondents say the region lacks enabling administrative processes.
- **Sixty-three percent of CEOs expect the adoption of Generative AI (GenAI) to have a significantly high impact on customer relations function over the next five years.** Cybersecurity, and legal and internal administration follow closely, seen by CEOs as the other business functions where GenAI could lead to significant efficiency gains in the future.

CEOs in Europe Expect Business Conditions to Deteriorate In The Next Six Months

At 42, The Conference Board Measure of CEO Confidence™ for Europe by ERT is back in negative territory and just 18 points above the all-time low of 24 exactly a year ago. The overall measure is based upon responses to questions about current economic conditions, six-months expectations for the economy, and six-months expectations for own industry. All three subcomponents of the measure are in negative territory, while the current level of confidence is only somewhat higher than that observed in the first half of 2022, following Russia's war in Ukraine. Fifty-four CEOs and Chairs of some of Europe's largest companies replied in this round of the CEO Confidence survey, which was on the field from September 26th to October 11th, resulting in a response rate of 96 percent.

Chart 1

Gloomy assessments about current economic conditions, pushes CEOs' Confidence further down into negative territory in H2 2023



Note: A reading above 50 indicates more positive than negative responses. 54 CEOs responded to the survey.
Source: The Conference Board Measure of CEO Confidence™ *for Europe by ERT, 2023 H2*

Views about current economic conditions plunge. This subcomponent drops from a positive 54 in H1 of 2023 to a negative 38, making it the largest drag on the overall measure. Almost two thirds (61 percent) of CEOs and Chairs see the economy performing worse than six months ago, a quarter of them view current economic conditions as unchanged, while the remaining fifteen percent say conditions have improved compared to the first half of 2023. Elevated inflation, curtailing private spending and dampening domestic demand, combined with tighter financing conditions, and subdued external demand are likely contributing factors to CEOs' negative sentiment around current economic conditions.

Prospects for the economy over the next six months remain pessimistic. CEOs and Chairs' views on prospects about the short-term economic outlook are more negative than six months ago, with this portion of the index falling from 49 to 41. Forty-three percent of respondents see the region's economic outlook worsening in the near term, half of them expect no changes, while only 9 percent of respondents are looking towards the next six months with optimism. Despite faring better than expected in H1, and even avoiding a technical recession in early 2023, the European economy enters Q4 on particularly weak footing. With risks to the outlook skewed to the downside, CEOs' views on the short-term economic outlook remain bleak.

Prospects for their own industry turn pessimistic but are still better than for the overall economy. When asked to assess prospects overall for the industry in which they operate, this subcomponent of the measure fell substantially, from 55 six months ago, to 45. An equal share of respondents (37 percent) see business conditions for their own industry six months out as either worsening or staying the same, while the remaining 26 percent expect moderate improvement.

CEO Confidence Remains Negative In the US, Loses Significant Momentum in China

In parallel with the European CEO Confidence survey, the bi-annual "The Conference Board Measure of CEO Confidence™ for China" and the quarterly "The Conference Board Measure of CEO Confidence™ in collaboration with the Business Council" surveys were also completed in late September/early October.

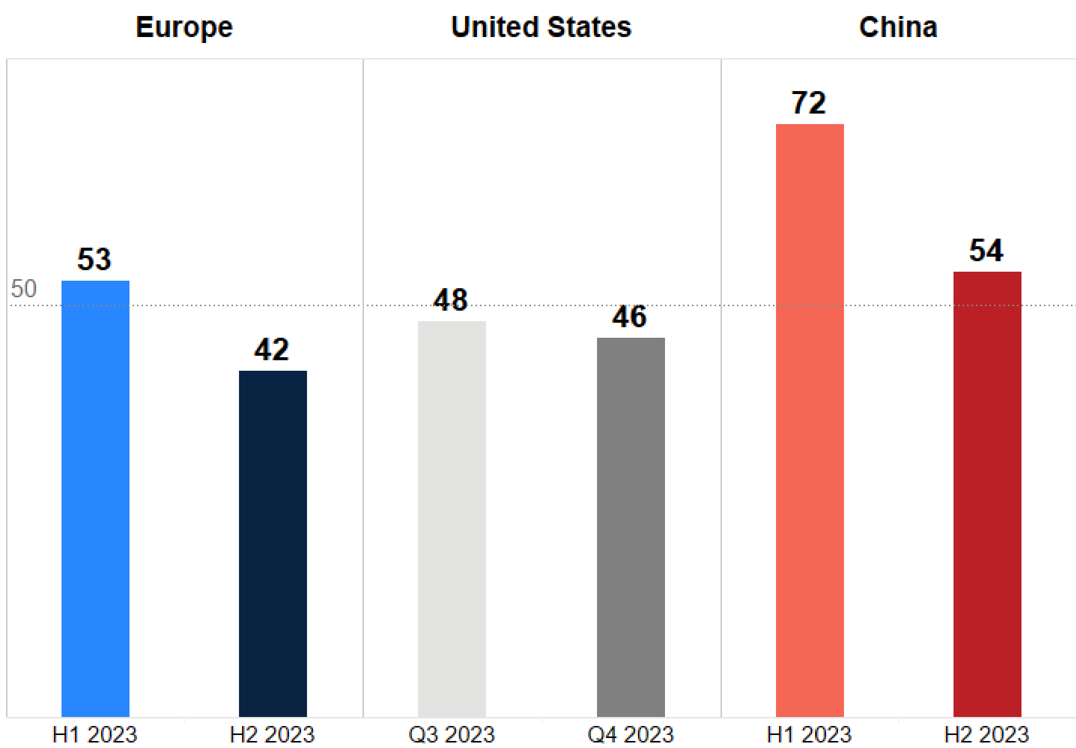
In the US, the measure of confidence fell to 46 in Q4 2023, down from 48 in the third quarter, indicating US CEOs remain somewhat pessimistic regarding what's ahead in the US economy. Compared to a quarter ago, CEOs' assessment of current economic conditions, as well as their views on the future economic outlook and short-term prospects in their own industries deteriorated slightly. Although recession fears receded in the Q4 survey compared to Q1 2023, more than two-thirds of US CEOs (69 percent) continue to expect a shallow and brief US recession with limited global spillover over the next 12-18 months.

China-based CEOs of European and US multinational companies are slightly more optimistic than their peers in Europe and the US. The measure of CEO Confidence™ for China remains in positive territory, at 54, but dropped strongly from a record-high of 72 six months ago. A mildly positive perception of current economic conditions and somewhat optimistic assessments about the short-term economic outlook and prospects for the industry in which they operate are responsible for maintaining the overall measure above the 50-mark. Back in April, confidence levels surged on the heels of China lifting all COVID restrictions and strong Q1 economic results. Now that China is in an entrenched period of slow economic recovery, the outlook has become more somber.

Chart 2

US CEO confidence remains negative in the US, loses steam in China

The Conference Board Measure of CEO Confidence™



Note: A reading below 50 denotes more negative than positive responses. In the United States, 136 CEOs participated in the survey, which was fielded from September 18 through October 2. In Europe 54 CEOs participated in the survey, which was on the field from September 26 through October 11. Finally, 35 CEOs in China participated in the Chinese edition of the CEO Confidence measure, with the survey open from October 17 through October 31.

Source: The Conference Board Measure of CEO Confidence™

Expectations for Sales and Investment Remain Positive Globally, Turn Sour for Employment within Europe

The combined sub-measures for sales, investment, and employment expectations in H2 2023 decline from six months ago both within and outside Europe, with the drop steeper for the former. In Europe, the summary measure dropped to a 'break-even' 51, down from 55 in H1 2023, while outside the region it declined marginally, from 61 to 59. A value above 50 reflects on average more positive than negative responses. Despite a substantial fall in the overall measure of confidence, CEOs' views on the short-term prospects of these three key indicators remained (barely) in positive territory.

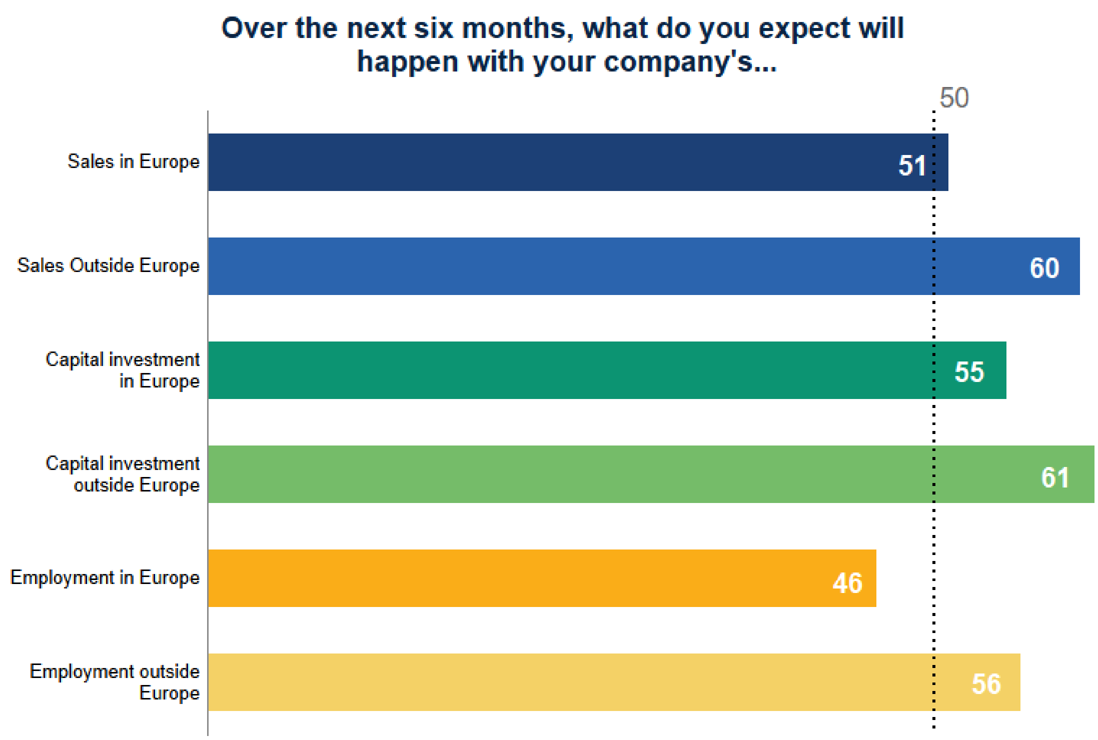
Sales expectations remain just positive in Europe and are more upbeat outside the region. CEOs' expectations on sales in Europe dropped slightly to 51, down from 54 six months ago, with responses being evenly spread among respondents. Thirty-seven percent of CEOs expect sales in Europe to improve moderately, thirty-one of them see no changes, while the remaining thirty-two percent expect sales in the region to deteriorate. Outside Europe the sentiment remains more upbeat. The majority of respondents (54 percent) expect sales abroad to increase in the next six months, a third of them see no changes, while the remaining 13 percent project sales to decline, but only modestly.

The investment outlook remains robust globally. In Europe, only 11 percent of respondents see their company's investments declining, 58 percent of respondents see no changes, while the rest, 32 percent, of CEOs intend to increase investments in the region. Outside the continent, expectations are on average more bullish, with 42 percent of CEOs expecting to increase investments, another 53 percent seeing no changes, and only 6 percent preparing to scale back.

Employment expectations remain positive abroad, and negative within Europe. Employment expectations in Europe continue to lose some steam in H2 2023, with the sub-measure sliding from 48 six months ago to 46. While half of respondents see no changes in employment expectations in Europe, and another 16 percent plan to increase hiring, 31 percent of respondents expect their company's employment to decrease either moderately or significantly over the next six months. Outside the region, employment expectations remain nearly unchanged from six months ago, with this index falling from 57 in H1 2023 to 56. Almost 90 percent of CEOs expect their company's employment to either increase moderately outside Europe or stay about the same.

Chart 3

Expectations rebound for sales and investments, but much less so for employment



Note: A reading below 50 points reflects more negative than positive responses. 54 CEOs responded in the survey.
Source: The Conference Board Measure of CEO Confidence™ *for Europe by ERT, 2023 H2*

Regulation, High Energy Prices and Geopolitical Tensions Take A Toll on Europe's Competitiveness

Competitiveness is an essential element for businesses to thrive and grow, laying the foundations for economic prosperity, resilience, and social betterment. However, in Europe competitiveness is at risk of prolonged decline from several factors, both external and internal. A key finding in the Spring 2023 edition of the CEO Confidence report was that 84 percent of CEOs perceived a weakening of Europe's competitive position as a base for industry.[1] Six months later, results reveal that a complex/incoherent regulatory environment, geopolitical tensions, and high energy prices are considered top factors affecting Europe's competitiveness.

A complex/incoherent regulatory environment tops the list of factors impacting Europe's competitiveness over the next three years. Fifty-six percent of CEOs expect that a complex and/or incoherent regulatory environment will have a *very important* impact on European competitiveness, and an additional 30 percent see this impact as *important*. The remaining 15 percent of CEOs rated this factor as neutral. There are many reasons why a regulatory environment can impact competitiveness. For example, excess bureaucracy and complex or unnecessary regulation can hinder companies' ability to invest and innovate. With Europe in the midst of a green and digital transition, regulatory clarity and consistency are imperative to drive innovation, attract investment, bolster growth, and eventually restore the region's competitive position in the world.

High energy prices and exposure to geopolitical tensions are seen as the next most important factors affecting European competitiveness. Forty-nine and 48 percent of respondents, respectively, expect high energy prices and geopolitical tensions to have a *very important* impact on Europe's competitiveness for the foreseeable future. And an additional 41 percent and 42 percent, respectively, consider their impact *important*. It stands to reason that energy-wise, the European market remains vulnerable to supply disruptions and changes pushing industrial costs higher while continued geopolitical uncertainty will influence investment decisions and planning. This impacts the conditions under which European companies operate and compete with their global peers.

Ambitious industrial policy in competing jurisdictions is another top factor to affect Europe's competitiveness in the coming years. Forty percent of CEOs see ambitious industrial policies in other jurisdictions as having a *very important* impact on Europe's competitiveness, another 40 percent judge it *important*. In Europe's public debate concerns are raised that the US Inflation Reduction Act (IRA) could be a strong pull factor for investments away from Europe and that China's green policy puts European producers at a disadvantage.

Lack of skilled workers is another prominent factor affecting Europe's competitiveness in the near horizon. Fifteen percent of CEOs rate lack of skilled workers as a *very important* factor affecting Europe's competitiveness over the next three years, while 63 percent rate it as *important*. It has become a common concern in many Member States that skills shortages can be a major barrier to Europe's efforts to achieve global technological leadership and green product innovation. Related challenges include an ageing workforce, talent scarcity, particularly in sectors that serve the twin

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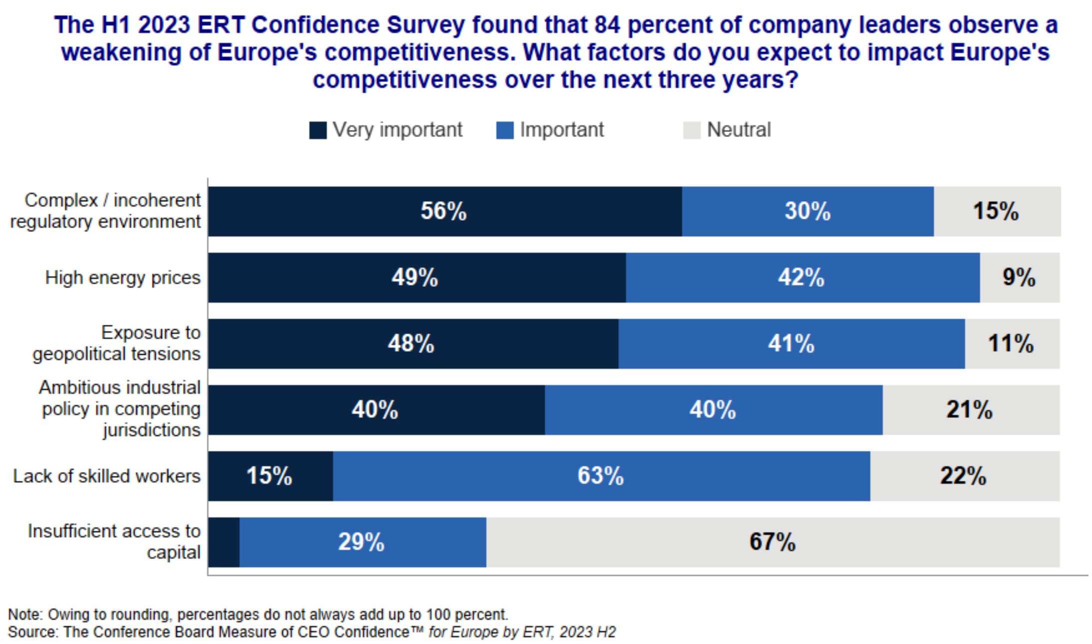
[1] Konstantinos Panitsas, The Conference Board Measure of CEO Confidence for Europe, by ERT: European CEOs Raise Warning Flags on Europe's Weakening Competitiveness, May 2023

transition (digital and green), and immigration policies unsuitable to attracting foreign talent.

Insufficient access to capital is not a major concern among most CEOs. Only a third of respondents rate insufficient access to capital as either a very important or an important risk factor for Europe's competitiveness over the next three years, while the remaining 67 percent of respondents were neutral.

Chart 4

Regulatory incoherence/complexity, high energy prices and geopolitical tensions are seen as key downward risks to Europe's competitiveness



Policy Actions to Strengthen Green Investment Incentives And Europe's Circular Economy Are Viewed by CEOs With Optimism

CEOs were asked to tell us how optimistic they are about policymakers launching ambitious action over the next three years to address Europe's competitiveness challenges:

Most CEOs are optimistic that policymakers will take ambitious actions to strengthen incentives for green investments. Almost 90 percent of CEOs (87 percent), a larger share than in any other area of policy action listed, are either somewhat or very optimistic that policy actions over the next three years will strengthen incentives for green investments. Only 13 percent of respondents stated they are not optimistic on that front.

Sentiment among CEOs around actions to strengthen the circular economy in Europe is upbeat. Seventy-four percent of CEOs expect to see policymakers launching ambitious actions to support higher circularity (e.g., reuse or recycling of materials or products) within the European economy over the next three years. On the contrary, twenty-four percent of them do not share this optimism, while two percent said they 'don't know'.

A majority of CEOs are optimistic to see ambitious policy actions that can spearhead the improvement of digital infrastructure in Europe. Sixty-five percent of CEOs are either very or somewhat optimistic that policymakers will be ambitious to improve and strengthen Europe's digital infrastructure over the next three years. Contrariwise, 31 percent are not optimistic on that front, while four percent said they 'don't know'.

Expectations are divided on whether policy makers will step up to support R&D and deep-tech innovation. Fifty-four percent of CEOs are optimistic to see more ambition to support R&D and promote deep-tech innovation over the next three years. Yet, out of those, only four percent of respondents said they are 'very optimistic' on that front. This optimism is not shared by 43 percent of CEOs that signal skepticism on policy makers launching ambitious actions to facilitate R&D and deep-tech innovation.

A thin majority of CEOs expect policymakers to launch ambitious actions to improve the energy infrastructure. Fifty-four percent of respondents are either very or somewhat optimistic that policymakers will take ambitious actions to improve the energy infrastructure in Europe, while the other 46 percent said they are not optimistic.

There is widespread doubt that the next years will see ambitious actions to counteract a shortage of skills in the labor force Fifty-seven percent of CEOs are not optimistic that policy makers will take robust policy actions to address the growing skills shortages in the European labor force. Thirty-seven percent of CEOs said they are somewhat optimistic about it, only 4 percent replied, "very optimistic", while the remaining 2 percent replied, "Don't know".

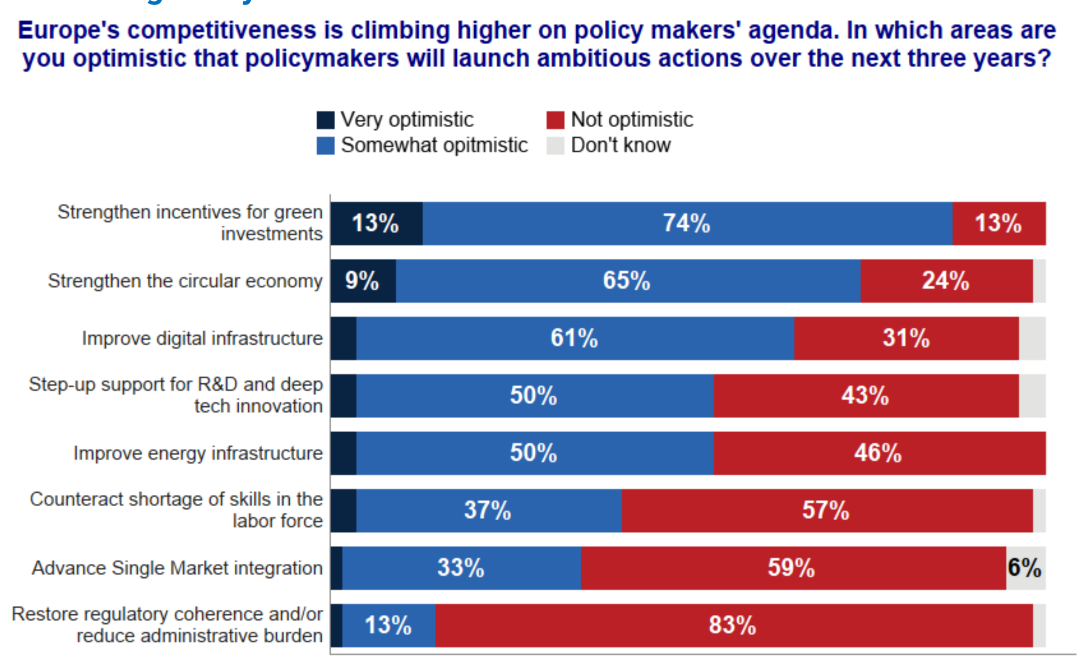
There is little optimism that the next three years will see ambitious actions to advance Single Market integration. A key finding in the H1 2022 edition of our survey, was that the average estimate rate of completion for the four key pillars of the Single

Market –goods, people, capital, and services- stood at 75 percent.[2] The result suggested that in CEOs' views, the Single Market is far from complete – pointing to substantial room for improvement. And yet: only 35 percent are either somewhat or very optimistic - only 2 percent - to see ambitious policy action to advance Single Market integration in the coming years. On the other hand, nearly 60 percent of CEOs signaled no optimism in this regard, while the remaining six percent said they don't know.

CEOs are least optimistic to see ambitious actions to restore regulatory coherence and/or reduce regulatory burden: For the top factor impeding European competitiveness, more than 8 out of 10 (83 percent) CEOs expect no ambitious action. This is striking as the results to the previous question indicate that a complex/incoherent regulatory environment is perceived as one of the main downwards drivers for Europe's competitiveness. Only 15 percent of CEOs expressed optimism that policy makers will launch ambitious corrective action.

Chart 5

Most CEOs are not confident that policy actions for restoring regulatory coherence will materialize in the foreseeable future



Note: Owing to rounding, percentages do not always add up to 100 percent.
Source: The Conference Board Measure of CEO Confidence™ *for Europe by ERT, 2023 H2*

[2] Ilaria Maselli, Konstantinos Panitsas, The Conference Board Measure of CEO Confidence™ for Europe by ERT: European Business Leaders Adjust Expectations Slightly Downward, November 2021

Building infrastructure needed for the green transition: CEOs think Europe may not be ready, yet.

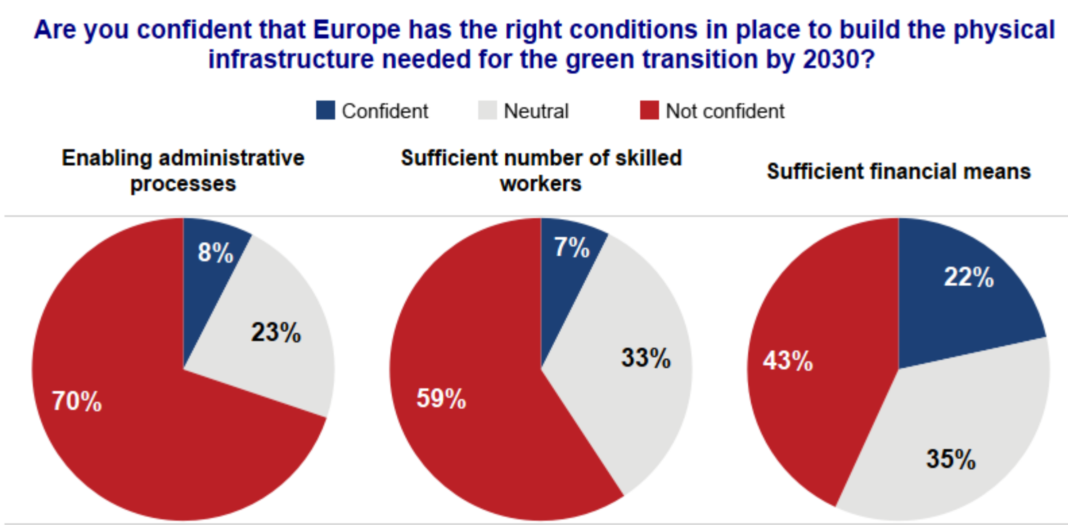
With the energy sector undergoing an unprecedented period of transformation, physical infrastructure will play a pivotal role in Europe's objectives to secure energy security and to reduce greenhouse gas emissions by 55 percent by 2030. As already established in this survey the majority of CEOs (54 percent) are optimistic to see ambitious policy action to improve energy infrastructure. But does Europe have the right conditions to build the physical infrastructure needed for achieving its climate targets?

When asked to give their perspective on the topic, CEO responses raise tangible concerns about Europe's readiness to support the green transition:

- Most concern is raised on the question whether Europe's administrative processes are fit to enable the necessary infrastructure projects. A total of 70 percent of CEOs signal explicitly that they are not confident that Europe's administrative process are fit for this task. Twenty-three percent take a neutral view, and only eight percent of respondents signal confidence.
- A majority of CEOs say they are not confident that Europe has a sufficient number of skilled workers to implement the necessary physical infrastructure projects. A third is neutral on this question. And, again, only a small share of CEOs (7 percent) expresses confidence that there are sufficient numbers of skilled workers.
- Lack of confidence that Europe has sufficient financial means is flagged by 43 percent of CEOs, and 35 percent take a neutral view on the matter. On the other hand, 22 percent express confidence that in terms of finance, the right conditions are in place.

Chart 6

CEOs are not confident Europe has the right conditions to build physical infrastructure for the Green transition



Note: Owing to rounding, percentages do not always add up to 100 percent. The option 'Don't know' was also given as a possible answer, however, it is omitted from the analysis since none of the respondents chose it.
Source: The Conference Board Measure of CEO Confidence™ *for Europe by ERT, 2023 H2*

Customer Relations And Cybersecurity To See The Biggest Efficiency Gains From Generative AI

As the world moves towards digital transformation, Generative AI (GenAI) and Large Language Models (LLMs) are emerging as gamechangers in many industry sectors. GenAI-powered tools promise to revolutionize the anatomy of work, for example by freeing workers' time for higher value-added tasks that require more creativity, critical thinking, and problem-solving skills. Businesses that know how to successfully adopt and manage GenAI will have a tangible advantage over their competitors.

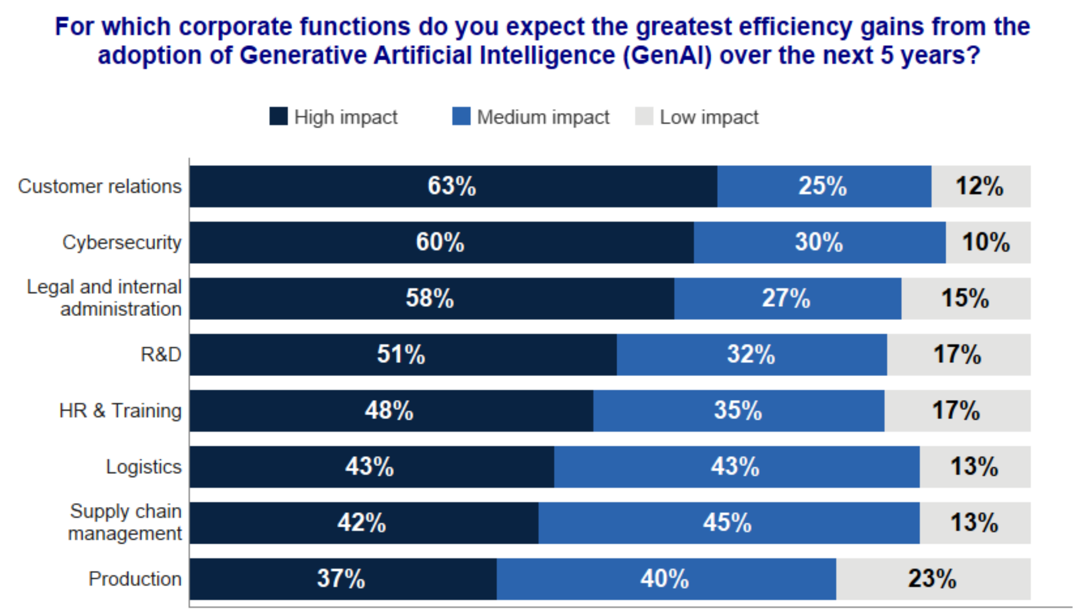
CEOs and Chairs in Europe were asked for which business functions they expect GenAI to have the greatest efficiency gains over the next five years, by rating those functions on a scale from 1 to 5, with 1 being no impact at all and 5 being very impactful.

- **CEOs expect customer relations to experience the greatest efficiency gains from the adoption of GenAI.** Sixty-three percent of CEOs expect GenAI to highly improve efficiency in customer relations over the next five years, while the remaining 37 percent expect this impact to be either medium or low. Analyses by market participants for example raise expectations that GenAI chatbots could improve customer relations through better handling of customer queries, personalized search engines and content suggestions, or faster feedback collection and analysis of customer data.
- **Cybersecurity is the second business area where CEOs see GenAI as having the highest impact in the medium run.** Sixty percent of CEOs expect strong efficiency gains from the adoption of GenAI on cybersecurity, while the remaining 40 percent rate the impact as being either medium or low. High expectations likely stem from the fact that, owing to their ability to process mountains of data almost instantaneously, GenAI tools can boost cybersecurity by analyzing network traffic faster, improving threat detection, and developing better suited cyber-defense strategies.
- **More than half of CEOs anticipate that GenAI will have a high impact on legal and internal administration functions.** Fifty-eight percent of CEOs see GenAI leading to strong efficiency gains for administrative-related tasks over the next five years. Discussions in the public domain point out that AI-powered technology can help to automate mundane tasks (e.g., candidates screening, payroll processing, benefits administration, etc.) thus, shifting focus on higher value-added tasks that require human judgment and creativity.
- **Fifty-one percent of respondents expect the adoption of GenAI to lead to strong efficiency gains in R&D over the next five years.** The remaining thirty-two percent of respondents foresee this impact as being medium, and 17 percent as low. Market insights suggest that GenAI could for example increase efficiency by minimizing the time spent for research design and data preparation, while maximizing available time for simulation, modeling, and hypothesis-testing.
- **Many CEOs (48 percent) expect GenAI to be very impactful on HR and training functions.** Specialized literature suggests that onboarding and orientation of new hires, improvements in talent acquisition processes, and a faster and more well-designed deployment of tailor-made training sessions for reskilling/upskilling are only a few areas where GenAI could create more efficient, data-driven, employee-centric HR and training strategies.

- **Views are less clear cut on how greatly adopting GenAI could impact their corporate's logistics.** Forty-three percent of CEOs see GenAI-powered technology as having a significant impact on logistics over the next five years, and a near equal share of respondents expects this impact to be medium. Specialist discussions suggest that more sophisticated predictive modeling, also using real time data, for optimizing inventory management and cost control or reducing overstocking are indicative examples of how GenAI could be used in logistics.
- **Expectations are also more moderate on the impact of GenAI on efficiency in supply chain management.** Forty-two percent of CEOs see GenAI as having a significant impact on their corporate's supply chain management, while the majority of respondents foresee the impact to be either medium (45 percent) or low (13 percent).
- **GenAI-powered technology is viewed by CEOs as having a less important impact on production.** Thirty-seven percent of CEOs see GenAI as having a significant impact on production over the next five years. On the contrary, the remaining 40 and 23 percent expect this impact to be medium and low, respectively.

Chart 7

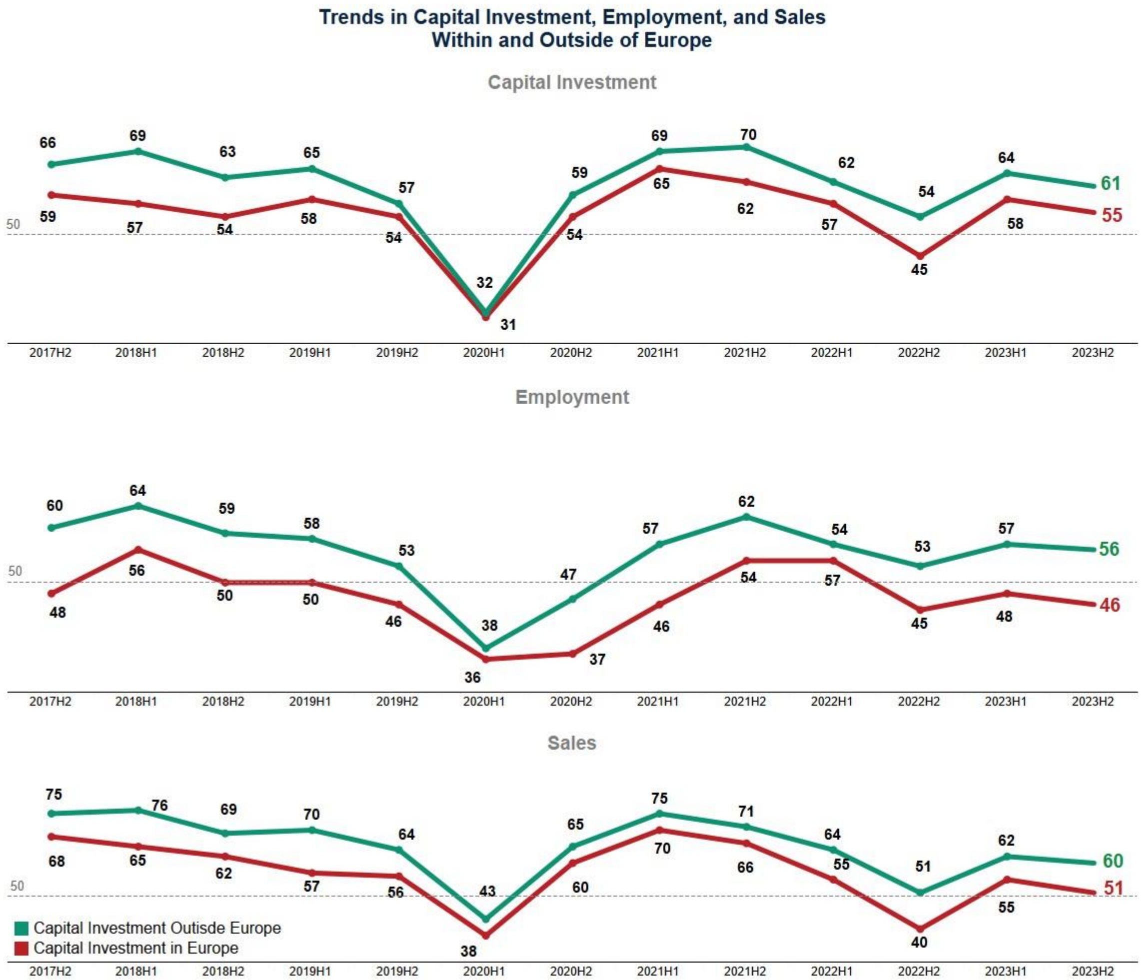
Customer relations and cybersecurity to have the greatest efficiency gains from the adoption of AI over time



Note: Owing to rounding, percentages do not always add up to 100 percent. Respondents were asked to rank from 1 to 5, with 1 being no impact at all and 5 being greatest impact. 'High impact' percentage refers to those ranking the impact of Generative AI on a business functoin as either '4' or '5', 'medium impact' refers to those ranking it as '3', and "low impact" to those ranking it as either '2' or '1'. Refer to Graph 2 in the Appendix for a more detailed graph on how responses were distributed.
Source: The Conference Board Measure of CEO Confidence™ *for Europe by ERT, 2023 H2*

Appendix 1: Details on Expectations for Capital Investment, Sales, and Employment

Chart 8



Note: A reading below 50 denotes more negative than positive responses
Source: The Conference Board Measure of CEO Confidence™ *for Europe by ERT, 2023 H1*

Appendix 2: Detailed answers to Special Question 4

Chart 9

Appendix 2: Detailed answers to Special Question 4:
"For which corporate functions do you expect the greatest efficiency gains from the adoption of Generative Artificial Intelligence (GenAI) over the next 5 years?"

	5 (Very impactful)	4	3	2	1 (No impact at all)
Customer relations	22%	41%	25%	10%	2%
Cybersecurity	18%	42%	30%	8%	2%
HR & Training	12%	37%	35%	17%	0%
Legal and internal administration	25%	33%	27%	13%	2%
Logistics	19%	25%	43%	13%	0%
Production	6%	31%	40%	19%	4%
R&D	17%	34%	32%	17%	0%
Supply chain management	13%	28%	45%	13%	0%

Note: Owing to rounding, percentages do not always add up to 100 percent.
Source: The Conference Board Measure of CEO Confidence for Europe by ERT, *2023 H2*

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 since 2020. The measure ranges from 0 to 100. A reading of less than 50 reflects more negative than positive responses.

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. These questions have been surveyed by The Conference Board in the United States on a quarterly basis since 1976. The survey is conducted twice a year in Europe.

In addition to the confidence measure, CEOs and Chairs also assess the outlook for their own company through questions about employment, sales, and capital investment, inside and outside Europe. ERT has fielded these survey questions since the second half of 2017. Special questions of current significance are included in each survey.

The latest survey was fielded between September 26 to October 11, 2023, to 56 ERT members. Fifty-four replied to the regular questions, resulting in a response rate of 95 percent. More than 50 replied to the special questions. The Measure of CEO Confidence survey was circulated in China between October 11 through October 31st to 48 CEOs and Executives. The response rate was 73 percent.

About the Authors

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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 60 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 five 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. For more info, visit https://ert.eu/.

About The Conference Board

The Conference Board is the member-driven think tank that delivers trusted insights for what's ahead. Its membership includes over 1,200 companies in both the established and emerging markets of the world. Its global community of leadership experts, which includes representatives from The Conference Board and a number of prominent companies, works to ensure members receive the practical knowledge they need to navigate the biggest issues impacting business and better serve society. Founded in

1916, we are a nonpartisan, not-for-profit entity holding 501(c)(3) tax-exempt status in the United States. For more info, visit https://conference-board.org/eu/.

For additional information regarding the methodology for The Conference Board Measure of CEO Confidence™ for Europe by ERT see "*Surging Confidence Among European Business Leaders Despite Strains on Supply Chains*", The Conference Board, May 2021. To access and download the historical data, please visit Data Central at: https://data-central.conference-board.org/.