

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

# CEO Confidence Still Wavering, Investments Stalled, EU Reforms in the Spotlight



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The Conference Board Measure of CEO Confidence™ for Europe by ERT  
H2 2025 RESULTS

by Alejandro Fiorito



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## CEO Confidence Still Wavering, Investments Stalled, EU Reforms in the Spotlight

The Conference Board Measure of CEO Confidence™ for Europe by the European Round Table for Industry (ERT) rebounds in H2 2025 from historically low levels six months ago but remains in negative territory, while investment prospects are more positive outside of Europe than in the continent. As uncertainty recedes, CEOs are refocusing on long-standing structural and policy barriers that threaten Europe's competitiveness. One year after the Draghi and Letta reports, CEOs see insufficient EU action to strengthen the case for investing in Europe.

**The current survey was conducted between October 16 and October 31, 2025.** A reading below 50 reflects more negative than positive responses.

### Trusted Insights for What's Ahead

- **The Conference Board Measure of CEO Confidence™ for Europe by ERT increased to 44, up from its second-lowest level (27) six months ago.** Confidence remains in negative territory (i.e., below the neutral value of 50), against a backdrop of persistent geoeconomic risks and limited EU policy progress in restoring competitiveness. This marks the first time since the start of the survey that CEO Confidence for Europe is negative for three consecutive surveys.
- **All three measure components stay below neutral and their historical averages.** After plunging in May 2025, the assessment of current economic conditions as compared to six months ago remains negative, at 39. Expectations of near-term economic (45) and industry-specific (47) conditions also show improvement but are still below neutral. Most business leaders expect conditions to remain broadly unchanged in the next six months.
- **Recovery in CEO confidence is uneven in China and the US.** CEO confidence in H2 2025 improves among China-based business leaders, increasing from 37 in H1 2025 to a weakly positive 53. US-based CEOs' confidence reaches a slightly negative 48, up 14 points compared to H1 2025.
- **Europe-based CEOs perceive that general business conditions are worsening in Europe while improving outside the continent, making the gap between these measures the second largest ever.** CEOs have historically held more positive views about business outside Europe, but the gap has increased substantially. Business confidence outside of Europe stands at 56 (up from 52 in H1 2025) and at 44 in Europe (down from 47).
- **CEOs' views of employment and capital investment prospects in Europe are negative and have deteriorated.** While in H2 2025 expectations for sales in Europe have improved and are in positive territory, prospects for employment and capital investment decreased further to 38 and 43 (down

from 44 and 47 in H1 2025, respectively). Expectations for employment outside of Europe remain at 49, while capital investment (59) and sales (60) are trending up, compared to 57 and 51 in H1 2025, respectively.

- **Most companies are maintaining their short- to medium-term global investment plans, with regional differences that favor the US and hurt the European outlook.** A small majority (55%) of CEOs do not plan to change their investment strategy in Europe. However, 14% have put decisions on hold, while 24% plan to invest less and only 8% plan to invest more. This contrasts with investment strategies for the US, where 45% of CEOs plan to invest more and only 8% less, indicating stronger investment prospects for the US. In China and the rest of the world, a vast majority of CEOs have not changed investment strategies (76% and 69%, respectively).
- **Efforts to advance the ambitious agenda set by the Draghi and Letta recommendations are not yet perceived to be improving the business case for Europe.** A considerable majority of CEOs see no impact of actions on key priority areas like regulatory simplification, single market completion, competition policy, the savings and investment union, and energy affordability. On average, 76% of CEOs see “no impact” of EU actions.
- **CEOs are disappointed by the performance of member states, European Parliament, and the European Commission in implementing critical policy recommendations.** The European Commission performs best in relative terms but 60% of CEOs consider its performance insufficient. Member states, particularly at the Council level, obtain the worst evaluation, with 74% of CEOs seeing their performance as insufficient.
- **Simplification remains the top priority for enhancing the European business case but new areas, such as strategic industries and AI, are increasingly relevant.** 90% of CEOs consider that adopting the simplification agenda should be one of the five main priorities for the EU, followed by measures to protect Europe’s strategic industries and improvements to legislation to increase the adoption of advanced technologies like AI.

# CEO Confidence in Europe Rebounds from Historical Lows but Pessimism Persists

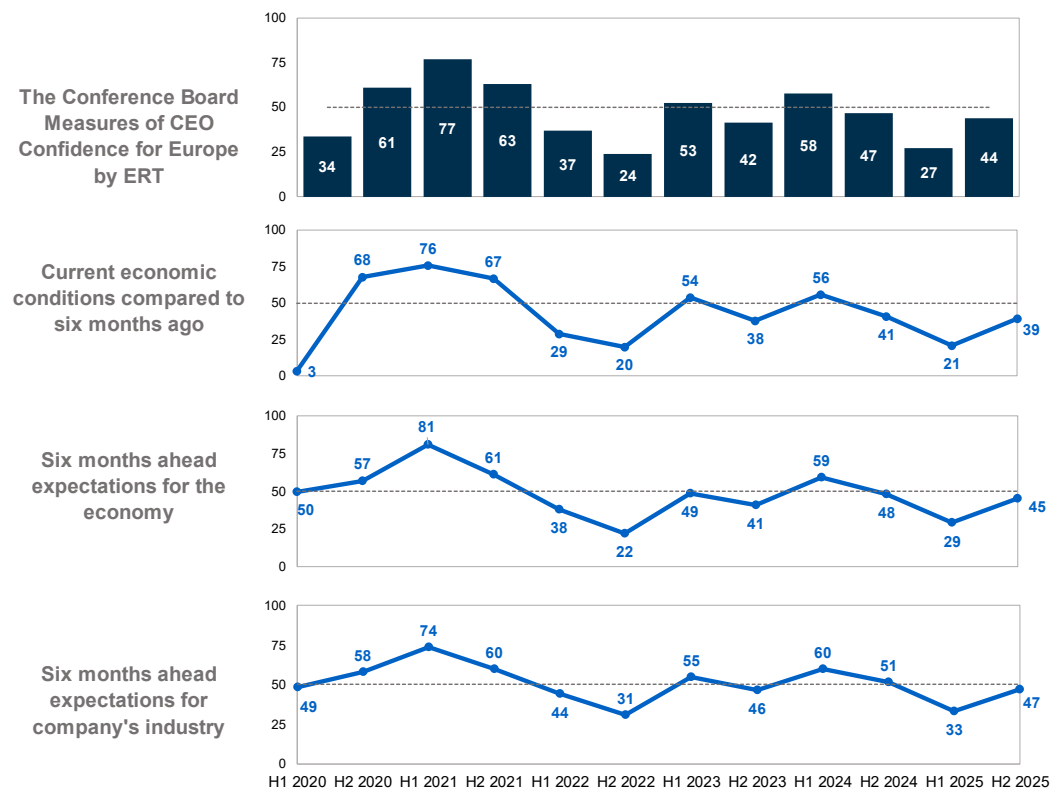
Fielded from October 16 to October 31, 2025, the CEO Confidence Survey results were drawn from the input of 51 CEOs and chairs of some of Europe’s largest industrial companies, resulting in a 94% response rate. The Conference Board Measure of CEO Confidence™ for Europe by ERT increases to 44 from its second-lowest value of 27 six months ago.

The overall measure is based on responses to questions around the assessment of three categories: current economic conditions, six months ahead expectations for the economy, and six months ahead industry expectations. All three components remain below neutral, indicating prevailing pessimism among CEOs about current and future economic conditions for their own industry and the broader economy.

Figure 1

**CEOs’ confidence for Europe rebounds but remains below neutral, given weak current economic conditions and moderately negative expectations**

Evolution of The Conference Board Measure of CEO Confidence™ for Europe by ERT and its subcomponents



Note: A reading below 50 denotes more negative than positive responses.  
 Source: The Conference Board Measure of CEO Confidence™ for Europe by ERT, H2 2025.

**Confidence about current economic conditions improves by 18 points compared to H2 2025 but, at 39, is below its historical average of 43.** The present conditions component has been the weakest of the three since H1 2023. In the latest survey, 49% of respondents deem the current economic conditions “substantially” or “moderately worse” compared to six months ago, when confidence was already near record-low levels. Meanwhile, 37% see no improvement and only 14% of CEOs see current economic conditions as better.

**CEO expectations for the next six months remain pessimistic.** Most CEOs expect economic conditions to remain the same (57%), 31% expect moderate deterioration, and 12% anticipate improvement. This component stands at 45, four points below its historical average of 49.

**Industry outlooks brighten but most CEOs do not expect further improvements.** At 47, fewer than one-quarter of CEOs (22%) expect business conditions in their industry to improve over the next six months, 47% expect them to stay the same, and 31% see conditions worsening. Notably, not one sees substantial improvement ahead.

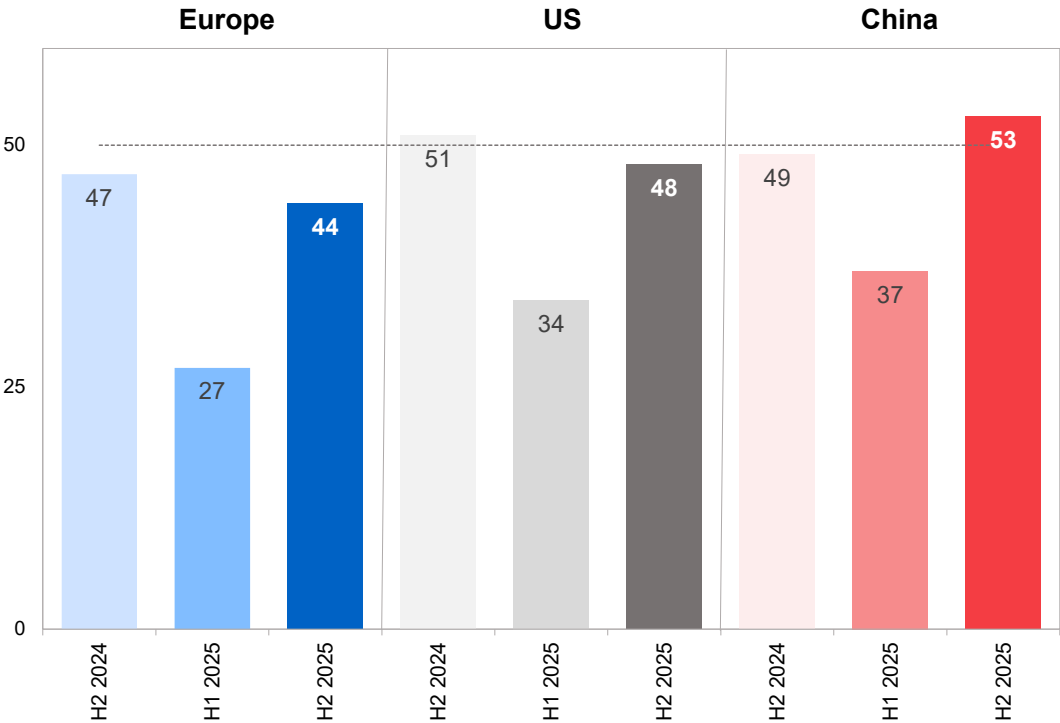
# CEO Confidence Recovers Globally, Turning Positive in China and Stabilizing in the US

The Conference Board Measure of CEO Confidence™ for China, conducted on a biannual basis, and The Conference Board Measure of CEO Confidence™ for the US, conducted quarterly in collaboration with The Business Council, also show recoveries in confidence. Both were conducted in October 2025.

**Confidence among US-based CEOs recovers but continues to be negative.** CEO confidence in the US rebounded from the first half of the year (33 and 34 in Q1 and Q2 2025, respectively) to 49 (Q3) and 48 (Q4). While recession fears have eased, confidence is low: 38% of CEOs see conditions worsening compared to 30% in Q3 2025, and 64% expect a mild slowdown accompanied by inflationary pressures.

**China-based CEOs' confidence turns positive in H2 2025.** The overall measure recovers from 37 in H1 2025 to 53, supported by improved perceptions of future economic (up from 34 to 52) and industry (up from 37 to 55) conditions.

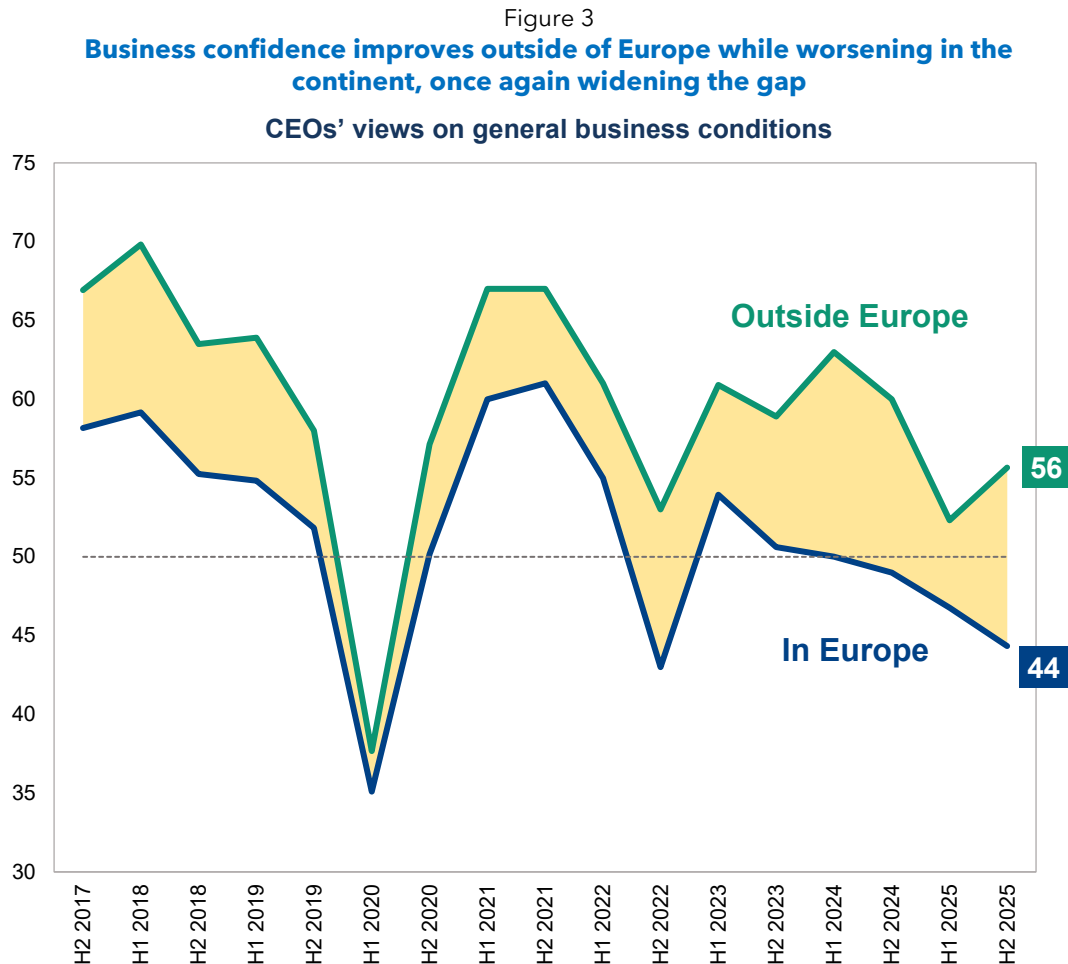
Figure 2  
**Europe-based CEOs' confidence remains below peers in the US and China**  
The Conference Board Measure of CEO Confidence™



Note: A reading below 50 denotes more negative than positive responses. H2 for the US refers to the Q4 survey and H1 to Q2, given the quarterly frequency of the project and to match survey timing across regions.  
Source: The Conference Board Measure of CEO Confidence™ for Europe by ERT, H2 2025.

## Expectations about Capital and Labor Deteriorate in Europe While Improving Elsewhere

**The gap between CEOs' perceptions of business conditions in Europe and outside Europe widens significantly.** Considering sales, investment, and employment, business confidence in Europe falls from 47 in H1 2025 to 44 in H2 2025, while increasing outside of Europe from 52 to 56, resulting in a 12-point gap, the second largest ever.



Note: A reading below 50 denotes more negative than positive responses.

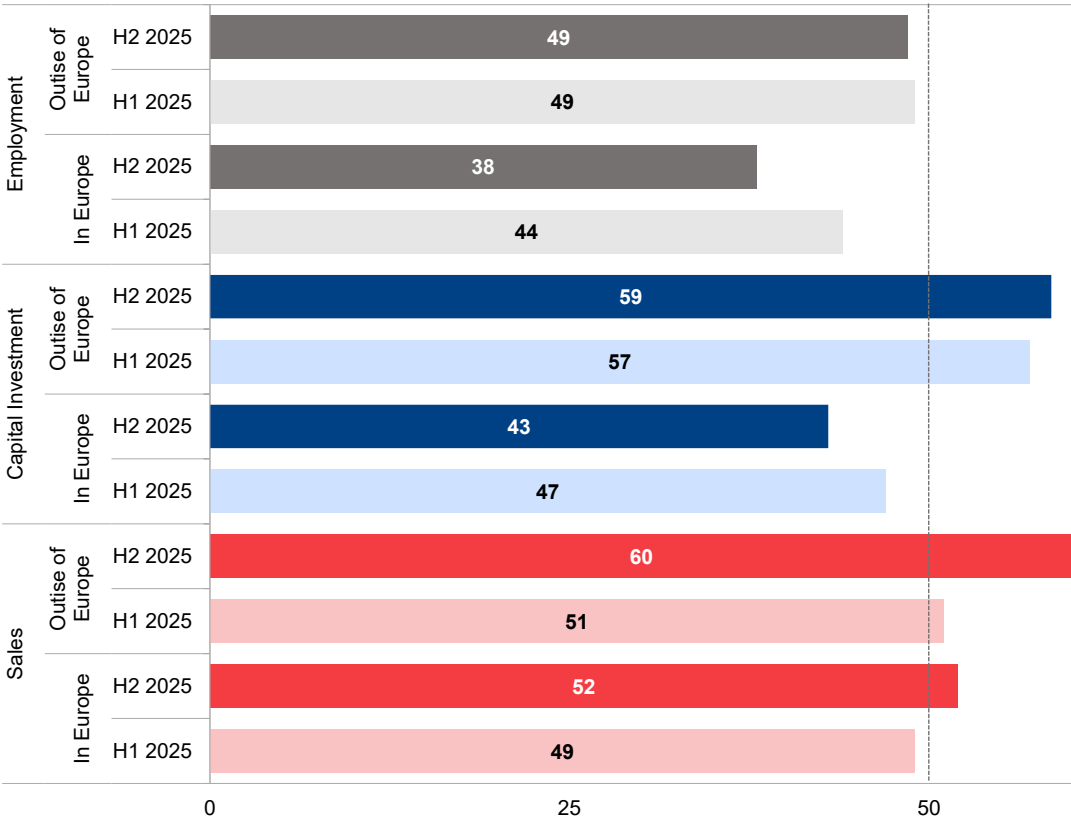
Source: The Conference Board Measure of CEO Confidence™ for Europe by ERT, H2 2025.

**CEOs expect their company's employment to decline in Europe while remaining broadly stable in other markets.** The measure for employment in Europe stands at 38, the lowest since the pandemic, with 50% of respondents anticipating moderate workplace reductions in Europe in the coming six months and 4% expecting significant reductions. 36% do not anticipate changes and only 10% foresee modest increases. Hiring prospects outside of Europe fare better: 22% of respondents anticipate rising employment, 48% expect no change, and 30% foresee slight declines, resulting in a reading of 49.

**Near-term capital investment trends diverge sharply.** Expectations for capital investment in Europe weaken to 43, down from 47 in H1 2025. Over one-third of CEOs see capital investment decreasing moderately (28%) or significantly (8%) in their companies, with 10% expecting an increase. This is the first time there have been two consecutive negative readings of CEOs' views about capital investment in Europe. In contrast, outside Europe capital investment stays on a positive path at 59 (up from 57), driven by expectations of moderate (30%) or significant (8%) increases in capital investment.

**Sales prospects improve slightly in Europe but less than outside the continent.** In Europe, expectations for sales are the only measure to recover, to a weakly positive 52, with 54% expecting stagnated sales, 26% expecting increases, and 20% expecting moderate decreases. Outside Europe, sales rebound to a solid 60, as 56% expect sales to moderately or significantly increase, 36% expect stagnation, and 16% expect moderate decreases.

Figure 4  
**Business confidence in Europe falls, while recovering outside of Europe**  
 Over the next six months, what do you expect will happen with your company's...



Note: A reading below 50 denotes more negative than positive responses.  
 Source: The Conference Board Measure of CEO Confidence™ for Europe by ERT, H2 2025.

## European Companies' Short- to Medium-Term Investment Strategies Seem Stable in Key Markets but Weaker in Europe

Although uncertainty has eased since early 2025, most large European companies are keeping investment plans unchanged, with a more bullish stance in the US than in Europe. In the H1 2025 survey<sup>1</sup> respondents flagged a deteriorating investment climate, particularly in the US, and ongoing concerns about European market fragmentation. Trade policy, especially US-driven, remains a crucial factor shaping revisions to global investment decisions, with the EU-US relationship being the most relevant (see Appendix).

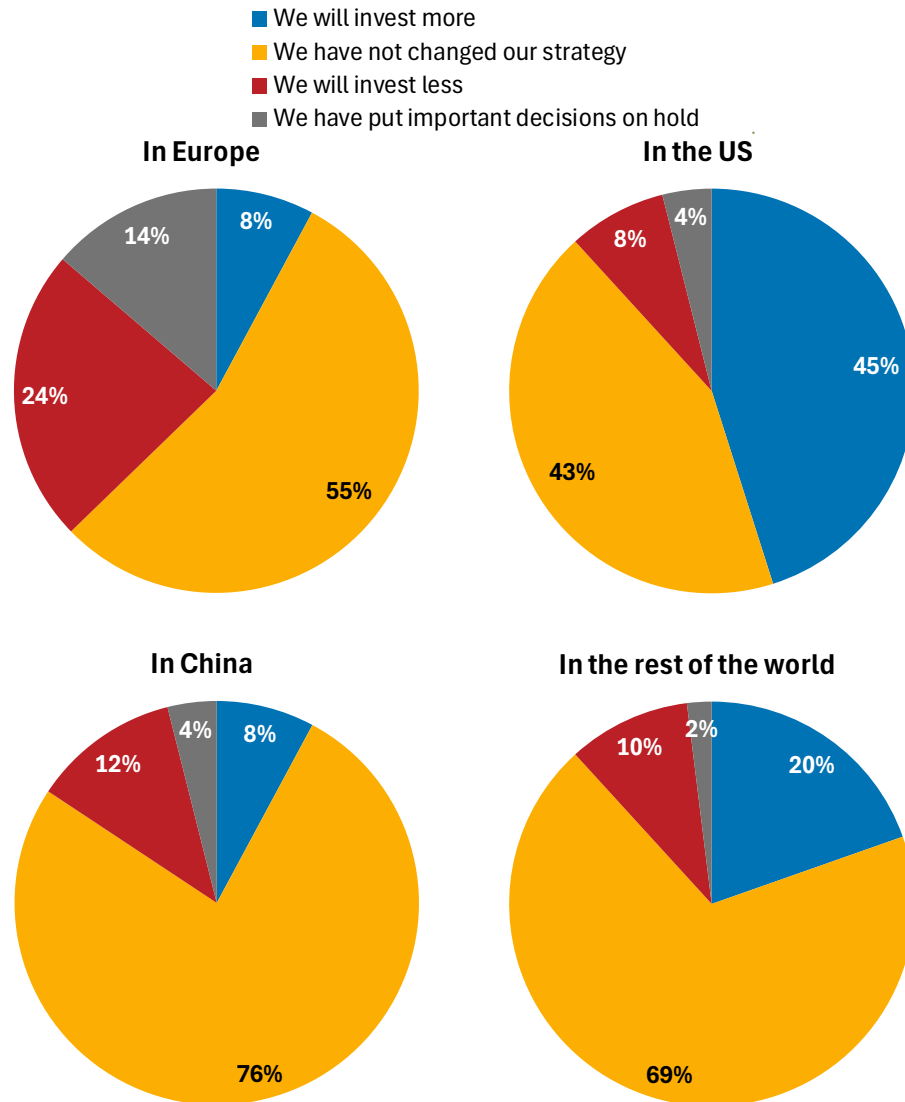
As structural issues persist and geopolitical risks evolve, investment confidence is diverging across regions:

- **A majority of CEOs have not revised short- to medium-term investment plans for Europe in 2025 and those that have mostly plan to invest less.** 55% of respondents say that they have not changed their strategy and 14% have put decisions on hold. One-third of CEOs have adjusted their strategies, with 24% of respondents planning to invest less in Europe, three times more than those who say they plan to invest more (8%).
- **In contrast, close to half of CEOs say they plan to invest more in the US.** 45% of respondents have revised their investment strategy to invest more in the US, 43% have not changed their strategy, 8% plan to invest less, and only 4% have put investment decisions on hold.
- **European companies largely stay the course in terms of investment in China and the rest of the world.** 77% of respondents say they have not changed their strategy in China and 69% plan to maintain their investment strategy in the rest of the world, with only 4% in China and 2% in the rest of the world indicating they are putting decisions on hold. 20% of CEOs plan to invest more than anticipated in other remaining markets, compared to 8% changing their plans to invest more in China.

Figure 5

**CEOs are mostly maintaining their investment strategies across regions, with significant shares planning to invest more in the US and less in Europe**

**In the course of 2025, has your company revised its short- to medium-term global investment strategy (up to three years)?**



Source: The Conference Board Measure of CEO Confidence™ for Europe by ERT, H2 2025.

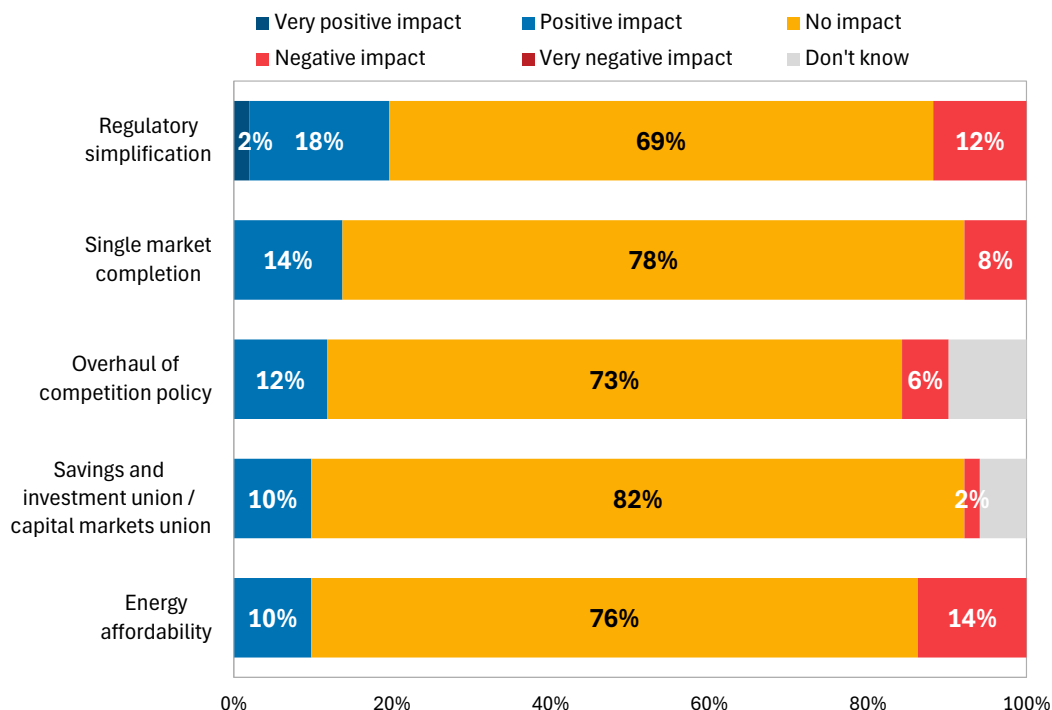
## CEOs See Little to No Impact of EU Initiatives

CEOs express frustration with the pace and effectiveness of EU efforts to enhance productivity and competitiveness.<sup>2</sup> Across five key areas identified in the Draghi and Letta reports,<sup>3</sup> 80–90% of CEOs see EU efforts having no or a negative impact in strengthening the business case for investing in Europe.

- **Out of every five respondents, at least four see actions towards regulatory simplification and single market completion not having the necessary impact so far.** On regulatory simplification, only 20% of CEOs perceive a very positive (2%) or positive (18%) impact, with a vast majority (69%) seeing no impact. Regarding single market completion, 14% of CEOs consider actions to have a positive impact, 78% see a lack of results, and 8% perceive negative effects.
- **Competition policy and efforts toward a savings and investment union are also viewed as stalled.** 73% and 82% of CEOs see “no impact” of efforts in these areas, respectively, as progress remains hindered by political fragmentation and the dimension of the structural changes needed to successfully address these issues.
- **Energy affordability draws the harshest assessment.** 90% of CEOs rate efforts as having no (76%) or negative impact (14%).

Figure 6  
EU actions lack impact

**What is your assessment of the EU’s actions to implement Draghi/Letta in the key priority areas to strengthen the business case for ‘investing in Europe’?**



Note: Figures may not total 100% due to rounding.

Source: The Conference Board Measure of CEO Confidence™ for Europe by ERT, H2 2025.

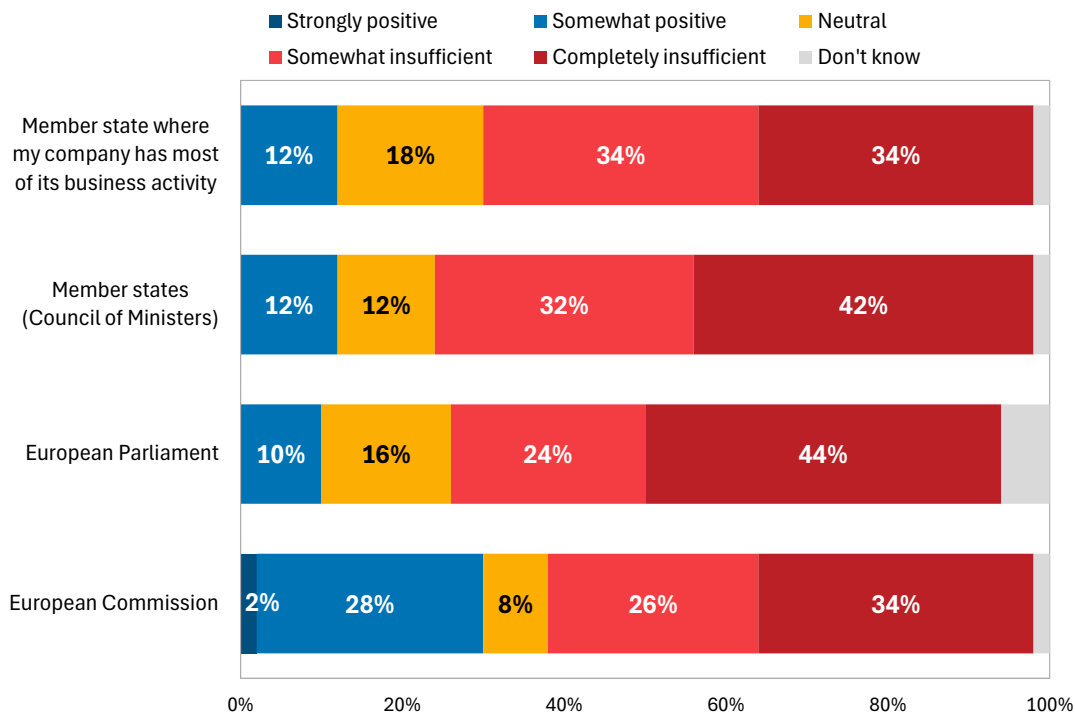
Averaging 76%, the widespread perception of “no impact” across EU initiatives appears to be reinforced by CEOs’ poor impression of key institutions’ performance in implementing Draghi’s and Letta’s recommendations.

- **Among EU institutions, the European Commission earns the best assessment, yet 60% of CEOs still rate its performance as insufficient.** 30% view its performance as positive and 8% as neutral.
- **European Parliament and member states receive similarly poor marks.** Roughly two-thirds of CEOs assess the European Parliament’s performance as insufficient, with 44% of respondents considering it “completely insufficient.” Member states fare even worse, with only 12% of respondents describing national- or Council-level actions as somewhat positive and around 70% labeling them as insufficient.

Figure 7

### European institutions’ performance viewed as insufficient

How would you rate the performance of key actors in implementing Draghi and Letta recommendations?



Note: Figures may not total 100% due to rounding.

Source: The Conference Board Measure of CEO Confidence™ for Europe by ERT, H2 2025.

## For Industry to “Bet on Europe,” the EU Must Deliver on Key Areas: Simplification, Strategic Industries, and AI

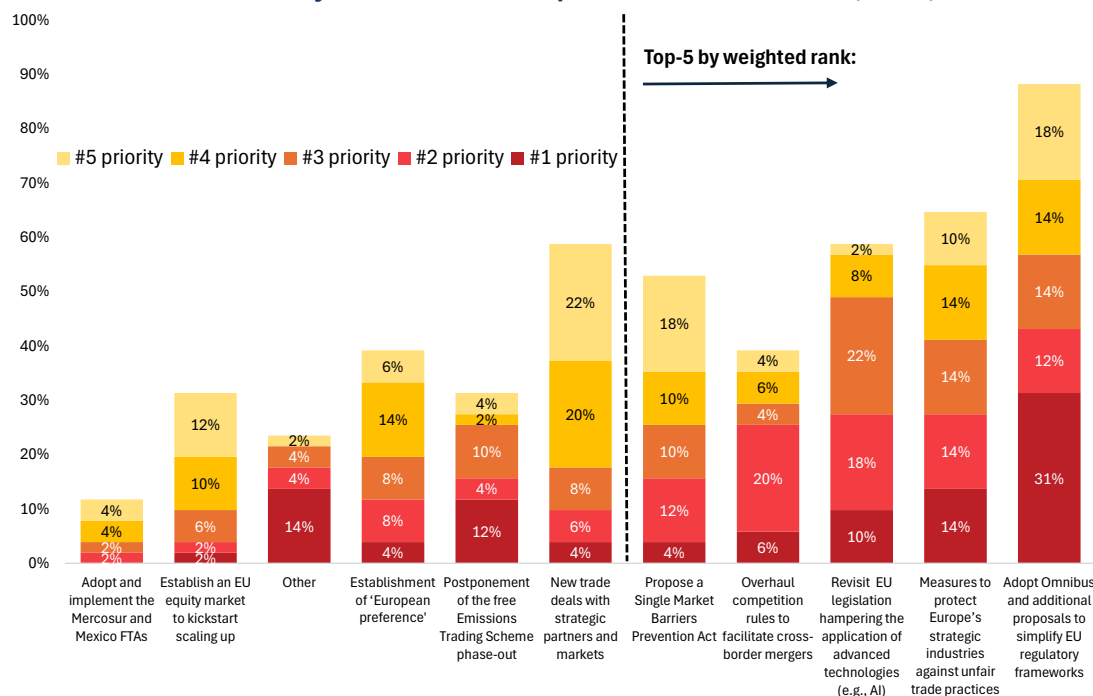
Simplifying the EU regulatory framework remains the key priority for Europe-based CEOs.<sup>4</sup> However, new and future-defining challenges (i.e., legislation that hampers the adoption of advanced technologies like AI and strategic industries facing perceived unfair trade practices) are gaining relevance.

- **Nine out of 10 CEOs rank regulatory simplification as a top-five priority for the EU.** 31% consider it to be the main priority, more than double the share of any other option.
- **Close to two-thirds of CEOs consider protecting Europe’s strategic industries and “revisiting legislation” on advanced technologies as top-five priorities.** This highlights growing demand for agility in EU policymaking and greater strategic autonomy. Notably, the sixth-ranked priority also supports this, stressing the need for trade deals that serve strategic objectives.
- **Other priorities include an overhaul of competition rules to facilitate cross-border mergers (26% rank it among their top two) and the Single Market Barriers Prevention Act.**

Figure 8

### Simplification remains a crucial priority, as concerns about strategic industries and AI regulation increase

What are key business case tangible actions the EU must deliver on in the next six months for you to ‘bet on Europe’? Pick and rank the top-five priorities:



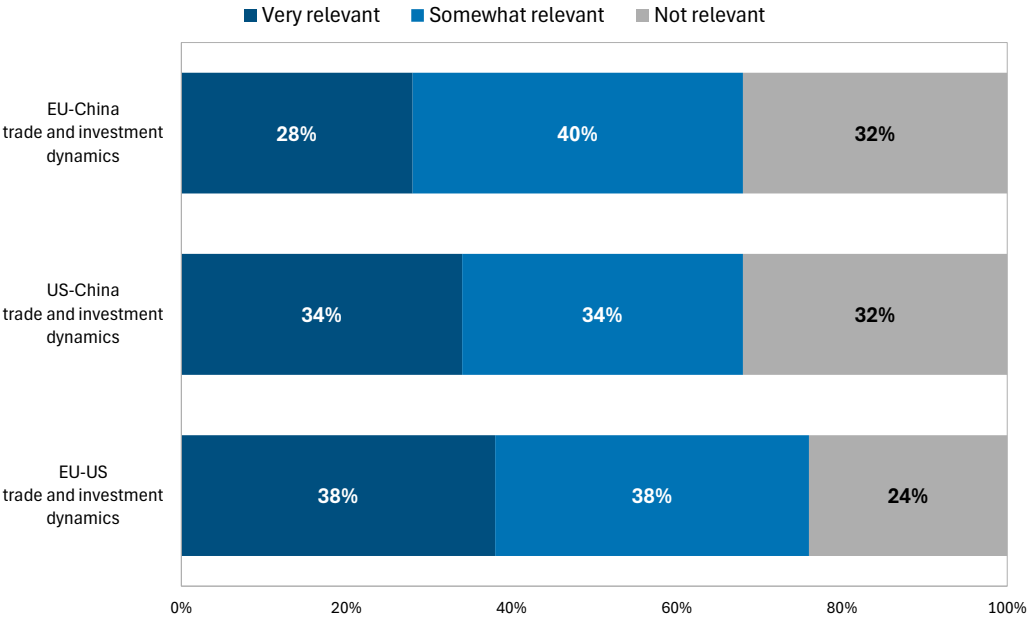
Note: The weighted ranking is constructed by assigning larger weights to higher-ranked choices (1st priority = 5, 2nd = 4, 3rd = 3, 4th = 2, 5th = 1). All weighted responses for a given answer are then summed up, and the answers are sorted to obtain the final ranking as shown above.

Source: The Conference Board Measure of CEO Confidence™ for Europe by ERT, H2 2025.

# Appendix: Details on Drivers of Investment Strategy

Figure 9  
**US trade and investment relations in particular drive European companies' investment decisions**

**Which developments are the main drivers for changes to your short- to medium-term global investment strategy (up to three years)?**



Source: The Conference Board Measure of CEO Confidence™ for Europe by ERT, H2 2025.

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

The Conference Board and ERT established a collaboration to create a measure of CEO Confidence for Europe since 2020. The measure ranges from zero 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) current business and economic conditions; 2) projected business and economic conditions in six months; and 3) prospects for respondents' own industries. These questions have been conducted by The Conference Board in the US on a quarterly basis since 1976. The survey is conducted twice a year in Europe.

In addition to the confidence measure, CEOs and chairs assess the outlook for their own company through questions about employment, sales, and capital investment, both 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.

This iteration of the survey was fielded between October 16 and October 31, 2025, to 54 ERT members; 51 replied to the regular questions, resulting in a response rate of 94%.

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](#). To access and download historical data, please visit [Data Central](#) from The Conference Board.

## About the Author

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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 US. For more info, visit <https://conference-board.org/eu/>.

## Endnotes

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<sup>1</sup> Konstantinos Panitsas, *CEO Confidence Plummets: Single Market Needed Across Sectors, Including Defense*, The Conference Board, June 2025.

<sup>2</sup> Konstantinos Panitsas, *Confidence Drops, CEOs Urge Europe To Follow Mario Draghi's Recommendations*, The Conference Board, November 2024. Konstantinos Panitsas, *CEO Confidence Improves Globally, But Little Pain Relief Is Expected For Europe*, The Conference Board, May 2024.

<sup>3</sup> Mario Draghi, *The Draghi Report: A Competitiveness Strategy for Europe (Part A & B)*, European Commission, September 2024. Enrico Letta, *Empowering the Single Market to Deliver a Sustainable Future and Prosperity for all EU Citizens*, European Commission, April 2024.

<sup>4</sup> Konstantinos Panitsas, *Confidence Drops, CEOs Urge Europe To Follow Mario Draghi's Recommendations*, The Conference Board, November 2024. Konstantinos Panitsas, *Complex and Incoherent Regulation Puts Pressure on Europe's Competitiveness*, The Conference Board, November 2023.