

The Conference Board Measure of CEO Confidence™ for Europe by ERT
H1 2026 RESULTS

Two Years Below Neutral: European CEO Confidence Falls as Outlook Deteriorates



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by Alejandro Fiorito



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Trusted Insights for What's Ahead®

- **In this latest survey (conducted April 10-30, 2026), The Conference Board Measure of CEO Confidence™ for Europe by ERT fell to 40, down from 44 six months ago,** remaining below the neutral threshold of 50 for the fourth consecutive survey. Rising pessimism about current and future economic conditions and the impact of the war in the Middle East outweighed a modest recovery in industry-specific conditions. Confidence is now equivalent to levels seen after Russia's invasion of Ukraine in early 2022 but above lows recorded during the subsequent energy crisis and the 2025 US tariff announcements.
- **All three measure components remain below neutral but display diverging trends.** Assessments of current economic conditions and expectations for the economy for the next six months fell by six points, to 33 and 39, respectively. Industry-specific expectations remained almost unchanged near neutral, at 49.
- **Europe-based CEOs report modestly improved company-specific business expectations in Europe—although these remained weaker than expectations outside the continent.** CEO views of their business outside Europe stayed positive at 56, while expectations within Europe improved from 44 to 48, largely driven by stronger sales prospects. Employment and investment expectations were largely unchanged in and outside Europe.
- **Energy insecurity tops geopolitical risks, followed by accelerating fragmentation in competing blocs, insecure trade routes, and the weaponization of critical raw materials,** highlighting both immediate concerns and broader geopolitical tensions.
- **Despite these concerns, CEOs are not increasing reliance on domestic providers for economic security.** More than half (51%) of CEOs said they are not "buying more European" and 46% were doing so but only moderately.
- **The war in the Middle East is weighing on near-term prospects and prompting tactical responses to strengthen supply chains and manage higher costs and risks.** Nearly three-quarters of CEOs (74%) saw current conflicts having a negative near-term impact, while most (54%) saw neutral long-term effects and 40% anticipated negative structural consequences.

- **CEOs remain pessimistic about Europe’s long-term business environment**, particularly regarding regulation, openness, investment prospects, and the completion of the single market. Most respondents (62%) viewed Europe negatively, with 65% not expecting the single market to be completed by 2030. In contrast, 44% held positive views of the US, 34% of China, and 70% of India.
- **CEOs identify the UK, other advanced economies, and India as key strategic partners for the EU, alongside the US and China.** The UK ranked first, with 68% of respondents giving it high strategic priority, followed by Australia, Canada, Japan, and South Korea with 63%; India with 58%; and countries from Greater Europe (Norway, Switzerland, and Iceland) with 56%. While the US remained important, 39% said the EU should assign it only moderate priority. More than half of respondents stated the EU should give China moderate (37%) or low priority (16%).

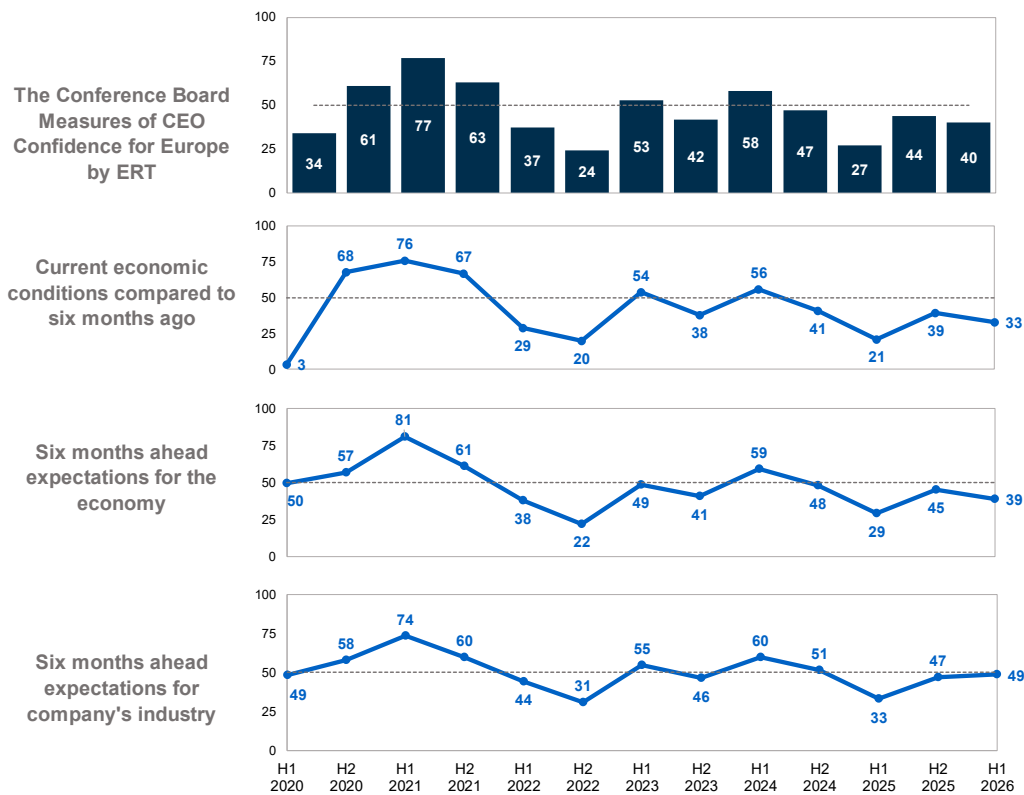
CEO Confidence in Europe Remains Negative as Economic Conditions and Expectations Worsen

Fielded from April 10 to April 30, 2026, the CEO Confidence Survey drew responses from 57 CEOs and chairs of some of Europe’s largest industrial companies (a 98% response rate). **The Conference Board Measure of CEO Confidence™ for Europe by ERT fell to 40 from 44 six months ago.**

The measure reflects assessments of current economic conditions, economic expectations six months ahead, and industry expectations six months ahead. The first two components deteriorated, signaling widespread pessimism about economic conditions and expectations despite contained recession risks.¹ In contrast, industry expectations remained almost unchanged at 49.

Figure 1
CEOs’ confidence for Europe falls slightly and remains below neutral as economic conditions and expectations deteriorate, despite industry conditions approaching neutral levels

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, H1 2026

Confidence about current economic conditions dropped to 33 from 39 six months ago and remained the weakest component. Two-thirds of respondents deemed the current economic conditions substantially or moderately worse compared to six months ago, while one-quarter observed no change and only 9% saw modest improvements.

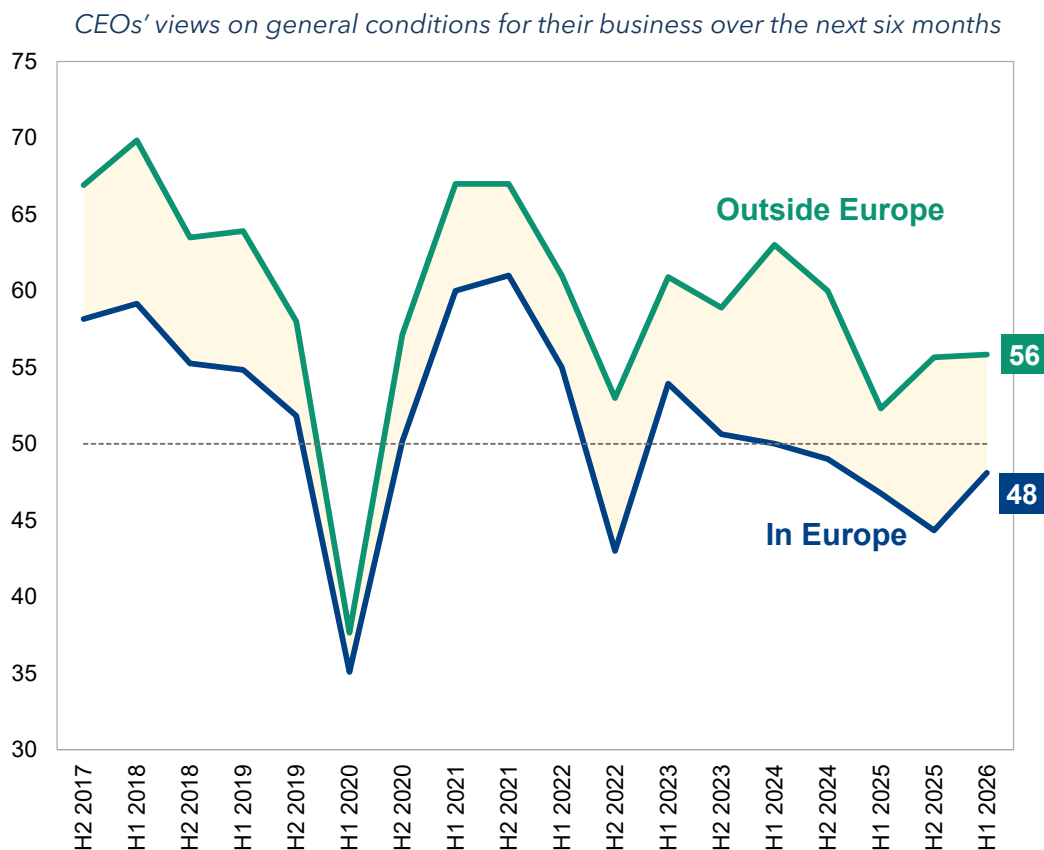
Expectations about economic conditions also deteriorated, falling to 39 from 45 in H2 2025, signaling broad pessimism in the macroeconomic environment. More than half of CEOs expected economic conditions to worsen, either moderately (42%) or substantially (12%) in the next six months. Meanwhile, 23% anticipated no change and another 23% expected a moderate improvement.

Industry prospects remained relatively stable around neutral, at 49. 35% of respondents expected business conditions in their industry to stay the same over the next six months and 33% anticipated moderate deterioration. Few expected substantial deterioration (4%) or improvement (7%), while 21% foresaw moderate improvement.

Business Expectations Improve Backed by Stronger Sales but Employment and Investment Remain Weak

The gap between company-specific business expectations in Europe and outside the continent narrows but remains significant. Considering sales, investment, and employment expectations over the next six months, business confidence in Europe improved from 44 in H2 2025 to 48 in H1 2026; meanwhile, it remained unchanged at 56 for business outside the continent.

Figure 2
Confidence for business in Europe increases but remains below neutral, while business expectations outside Europe are unchanged



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

Source: The Conference Board Measure of CEO Confidence™ for Europe by ERT, H1 2026

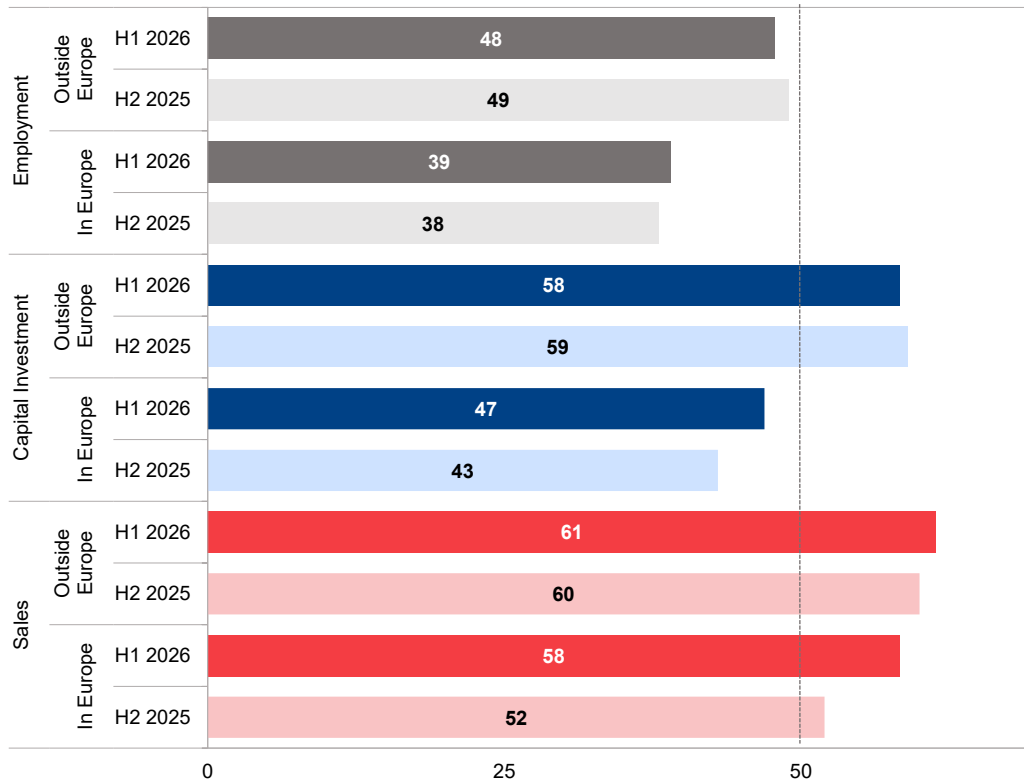
Employment expectations remained weak at 39, marking the first time since 2020 that the indicator stayed below 40 for two consecutive surveys. More than half of respondents expected workforce reductions in Europe over the next six months, with 46% anticipating moderate and 5% expecting significant reductions. Meanwhile, 39% expected no change and 11% modest or significant increases. Hiring prospects outside Europe remain broadly unchanged at 48: 23% of respondents expected an increase in employment, 47% no change, 26% a moderate decrease, and 4% a significant decrease.

Capital investment expectations in Europe improved to 47 from 43 in H2 2025 but remained negative for a third consecutive survey and well below prospects outside the continent (58). Most CEOs (54%) expected capital investment in Europe to be unchanged, while 16% anticipated some improvement and 31% expected a moderate or significant decline. Half of CEOs anticipated capital investment staying the same outside Europe; 38% expected a moderate (29%) or significant (9%) improvement, with only 13% foreseeing a decrease.

Sales expectations in Europe strengthened to 58—the highest level since 2021—and approached levels outside Europe (61). 42% of respondents expected sales to increase in Europe, 46% anticipated no change, and 13% foresaw declines. Outside Europe, sales expectations improved slightly, with a majority (55%) expecting sales to moderately or significantly increase, 28% foreseeing no changes, and 18% anticipating declines.

Figure 3
Employment and investment expectations remain broadly unchanged, as sales prospects in Europe improve

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, H1 2026

Energy Insecurity Emerges as Top Geopolitical Risk

Recent geopolitical developments are shaping CEO risk perceptions. After the war in the Middle East sent energy prices soaring—with Brent oil prices and Title Transfer Facility natural gas prices increasing 57% and 44%, respectively, between late February and the end of April—energy insecurity emerges as the leading geopolitical concern for CEOs in Europe. Insecure trade routes, likely linked to ongoing conflicts, also appear as a top-four risk, alongside accelerating geopolitical fragmentation and the weaponization of critical raw materials.

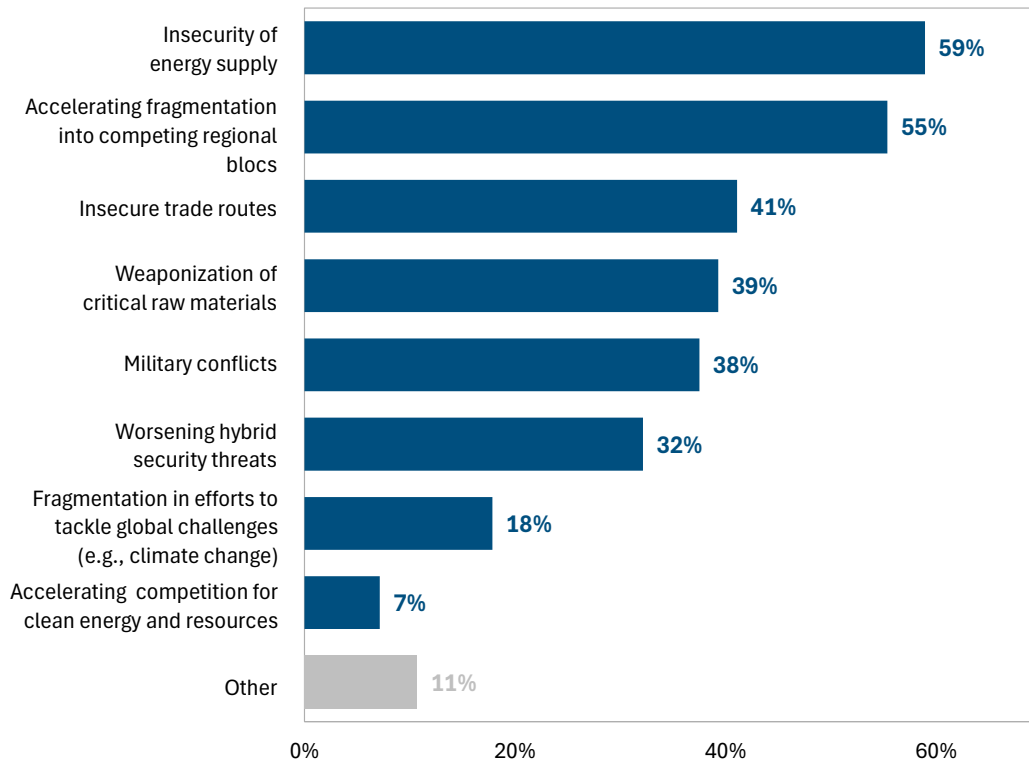
Despite these external risks, European companies are not “buying European” significantly (i.e., increasing reliance on domestic providers). More than half of CEOs said they are not relying more on domestic providers and only two respondents out of 57 (3.5%) reported doing so substantially.

- **Energy insecurity is perceived as the top geopolitical risk (with 59% of respondents ranking it in the top three),** closely followed by accelerating fragmentation into competing regional blocs (55%).
- **Insecure trade routes, the weaponization of critical raw materials, and military conflicts round out the top five, echoing recent geopolitical developments.** Around 40% of respondents ranked at least one of these issues as a top-three concern.
- **Results are broadly consistent with the H2 2024 survey²—the last time this question was asked—when fragmentation, insecure trade routes, and military conflicts were leading concerns.** However, energy insecurity emerged as a new concern in 2026, while the weaponization of critical raw materials was perceived to be less of a risk in 2024. The renewed focus on energy security echoes worries expressed in the 2022 surveys,³ with CEOs now focusing on energy supply and cost management (see next section).

Figure 4

Energy supply insecurity tops risks for CEOs in Europe

What geopolitical developments pose the greatest risks to your business?
(Choose ranking according to risk)



Note: Numbers show the share of respondents that selected a given option in their top three.

Source: The Conference Board Measure of CEO Confidence™ for Europe by ERT, H1 2026

- **Despite a fraught external environment and significant geopolitical and geoeconomic risks, companies are not broadly shifting toward domestic suppliers.** More than half (51%) of CEOs said they are not increasing reliance on European providers for economic security reasons, while 46% reported doing so moderately and only 4% substantially.

The War in the Middle East Weighs on Near-Term Prospects, Eliciting Tactical Responses

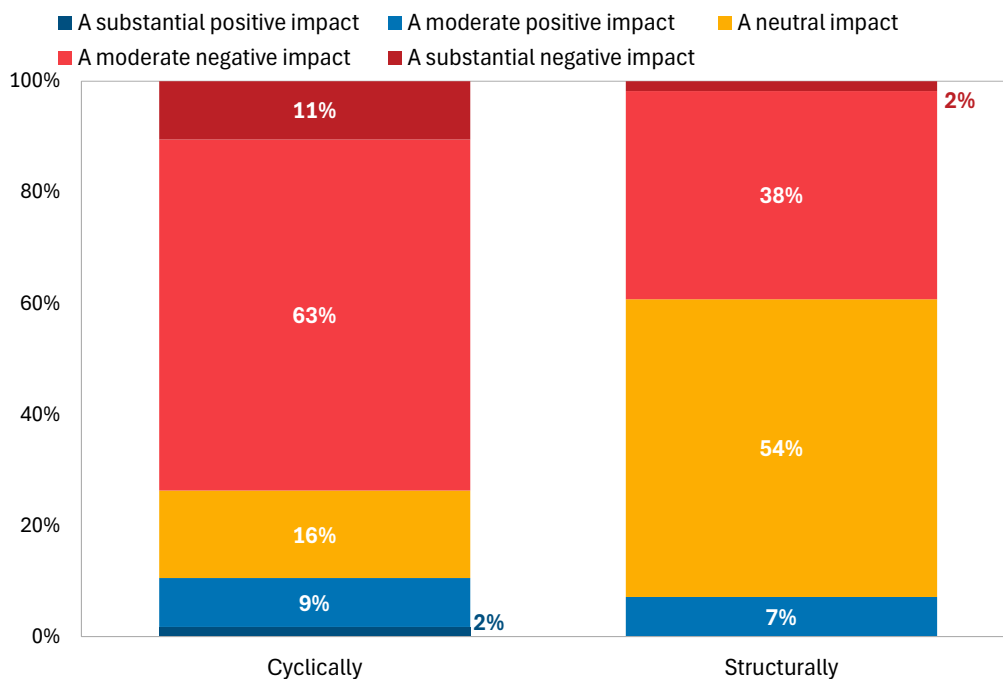
Current conflicts, particularly the war in the Middle East, are weighing on European companies, particularly in the near term as most CEOs expect a neutral structural impact on their business. Companies are responding to this shock with tactical measures focused on resilience, cost management, price adjustments, and contingency planning.

- Current conflicts are having a negative near-term impact on business prospects, while long-term effects are viewed as more limited:**
 - Cyclically* (affecting their near-term prospects), three-quarters of respondents perceived a negative impact (63% moderate and 11% substantial), while only 16% saw no effect and 11% any positive impact.
 - Structurally* (affecting business model and long-term plans), a majority of respondents (54%) perceived a neutral impact, while 40% saw a mostly moderate negative impact. 7% expected some long-term positive effects.

Figure 5

The negative effect of current conflicts is mostly expected in the near term, with fewer respondents anticipating a structural impact

What impact are current conflicts, particularly in the Middle East, having on your business?



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

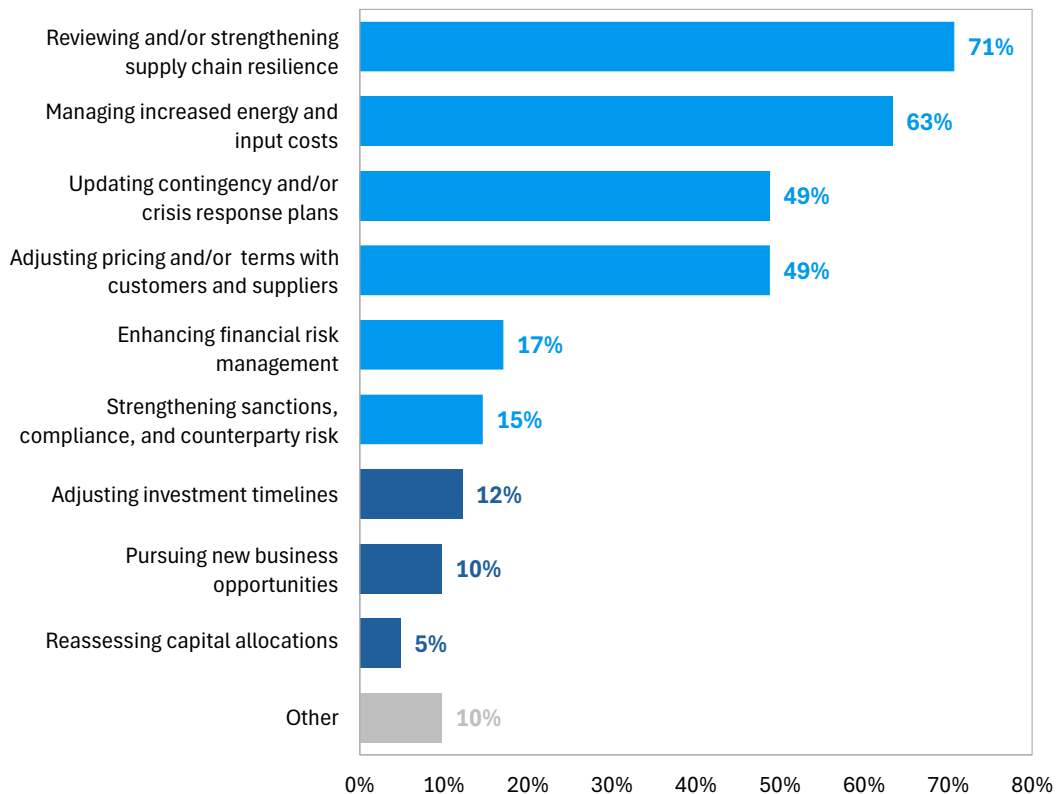
Source: The Conference Board Measure of CEO Confidence™ for Europe by ERT, H1 2026

- **Around three-quarters of respondents (72%) said they are taking actions in response to the war in the Middle East, with most treating it as a temporary shock.**
- **The most common responses to this shock are tactical:** These included managing increased energy and input costs; reviewing and/or strengthening supply chain resilience; updating contingency and/or crisis response plans; adjusting pricing and/or commercial terms; and enhancing risk management. Strategic actions such as reassessing capital allocation or adjusting investment timelines ranked outside the top six.

Figure 6

The most important responses to the impact of current conflicts are tactical rather than strategic

*How are you responding to the impact that current conflicts, particularly in the Middle East, are having on your business?
(Choose ranking in order of importance)*



Note: Numbers show the share of respondents that selected a given option in their top three.
Source: The Conference Board Measure of CEO Confidence™ for Europe by ERT, H1 2026

Long-Term Business Conditions Are Negative for Europe, Mixed for China and the US, and Positive for India

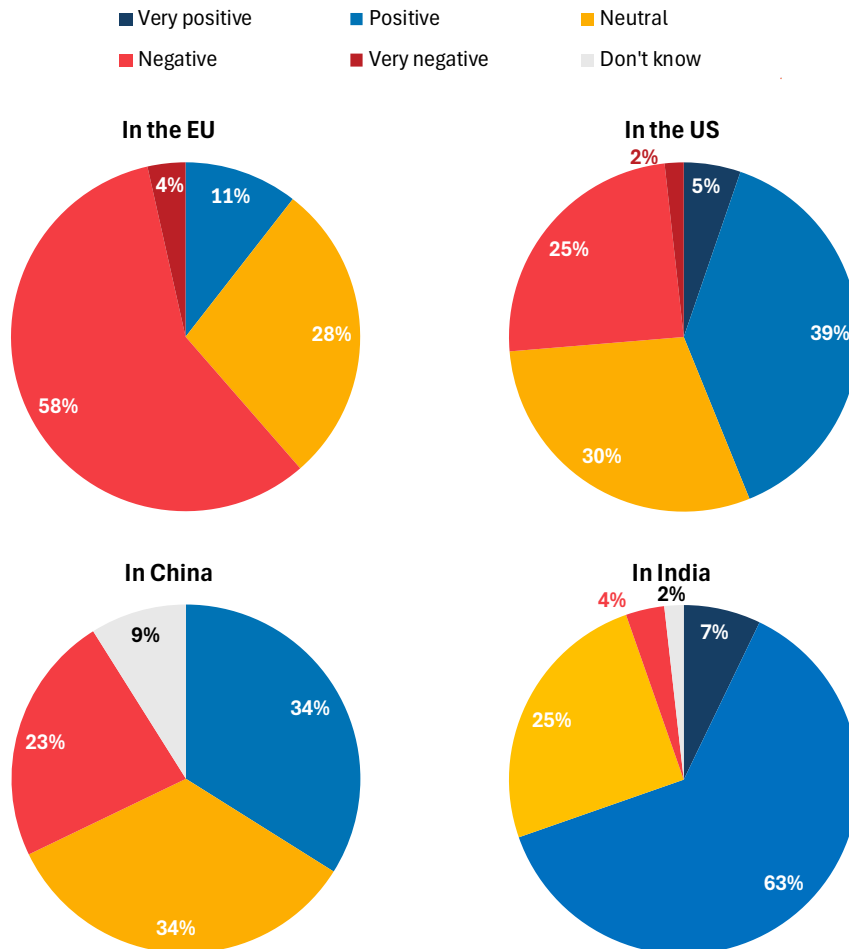
CEOs in Europe express pessimism about long-term business conditions and investment prospects in the continent. While they are more upbeat about prospects in China and the US, they are especially positive about India and relatively optimistic about non-European advanced economies, Latin America, and Other Asia.

- **The EU's long-term business conditions and investment prospects received the weakest assessment,** with 58% expressing negative views and only 11% positive. The EU was the only region for which over half of responses were negative.
- **Persistent doubts about completing the single market continue to weigh on confidence about business conditions in the EU:** 65% of respondents said they do not expect the single market to be completed by 2030, despite the bloc's efforts to accelerate related legislation (see Appendix for further details).
- **CEO views on long-term conditions in the US are moderately positive.** Consistent with findings about medium-term investment strategies in the H2 2025 survey,⁴ executives remained broadly positive about the US. However, they were more pessimistic about long-term business prospects than they were about the medium term. 5% of respondents had very positive views, 39% positive views, 30% neutral, 27% negative—compared to only 8% of respondents that said they planned to invest less over the medium term in the previous survey.
- **CEOs' assessment of China's long-term prospects is similar to that of the US.** 34% had positive views about long-term conditions in China, 34% neutral, and 23% negative; 9% responded they do not know. These results suggest more favorable views about China in the long term than in the medium term, as in the H2 2025 survey only 8% of respondents indicated they revised plans to invest more in China in the next three years.
- **India stands out as the long-term bright spot globally.** 70% of executives held positive (63%) or very positive (7%) views about long-term prospects in India, the highest share across all countries and regions. Alongside the US, India was one of only two countries where some respondents reported very positive expectations.

Figure 7

Long-term business conditions in the EU lag the US and China, while CEOs are the most positive about India

How do you assess business conditions (stable and simple regulatory environment, openness and attractiveness of investment prospects) in the long term (more than three years ahead) across the following economies and regions?



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

Source: The Conference Board Measure of CEO Confidence™ for Europe by ERT, H1 2026

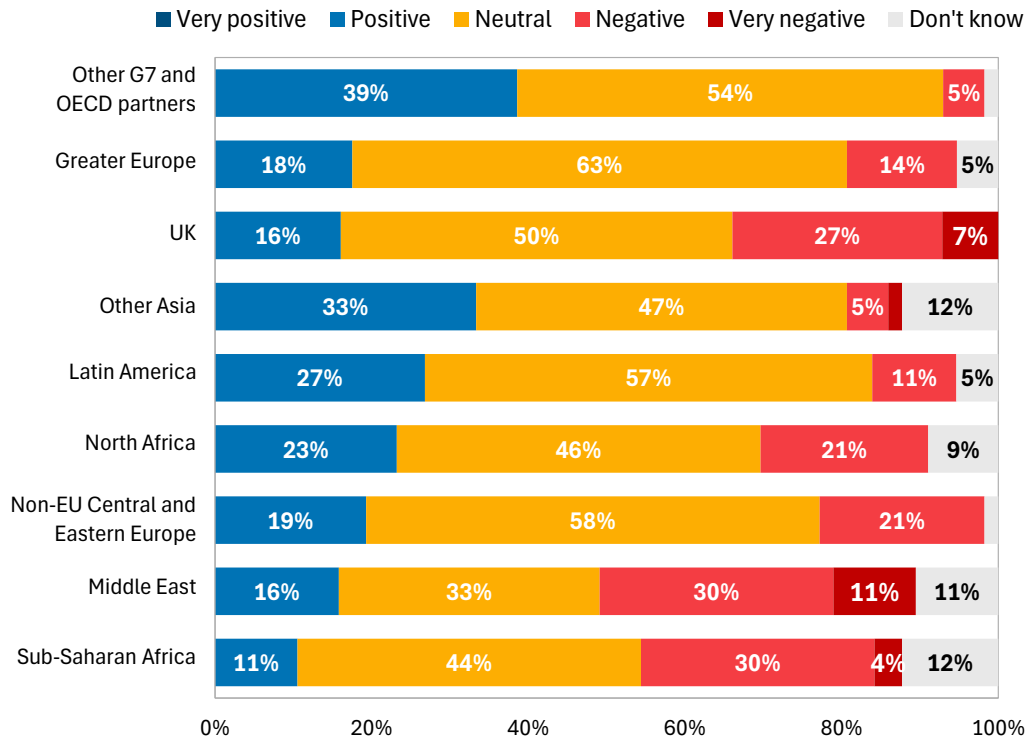
- Among other advanced economies, CEOs are the most positive about non-European markets.** 39% of respondents assessed investment conditions as positive in the long term for other G7 and OECD countries such as Australia, Canada, Japan, and South Korea. In comparison, fewer than 20% held positive views about long-term business conditions in Greater Europe (Iceland, Norway, and Switzerland) and the UK. CEOs were particularly pessimistic about the UK's long-term prospects, with 27% holding negative views and 7% assessing conditions as very negative.

- **Across emerging markets beyond China and India, CEOs are the most positive about Latin America and Other Asia.** These regions had the largest shares of respondents identifying long-term business conditions as positive (27% and 33%, respectively) with neutral being the most common response (57% and 47%, respectively).

Figure 8

Long-term business conditions are moderately encouraging in non-European advanced economies, Latin America, and Asia

How do you assess business conditions (stable and simple regulatory environment, openness and attractiveness of investment prospects) in the long term (more than three years ahead) across the following economies and regions?



Note: Figures may not total 100% due to rounding. Other G7 and OECD partners refers to Australia, Canada, Japan and South Korea; Greater Europe to Iceland, Norway, and Switzerland; and Other Asia to all Asia excluding China, India, and Japan. Labels are not shown when they are below 2% for readability.

Source: The Conference Board Measure of CEO Confidence™ for Europe by ERT, H1 2026

CEOs in Europe Identify Advanced Economies and India as Key Strategic Partners for the EU

Despite mixed opinions about long-term business conditions in the US and the UK, both are still seen as crucial strategic counterparts. Other advanced economies are also viewed favorably and even outperformed the US. Across emerging markets, China is deemed an important partner by a large majority of CEOs but results showed less consensus. Bullishness on India as a strategic partner—and, to a lesser extent, on Latin America and Other Asia—correlates with positive business prospects (see previous section).

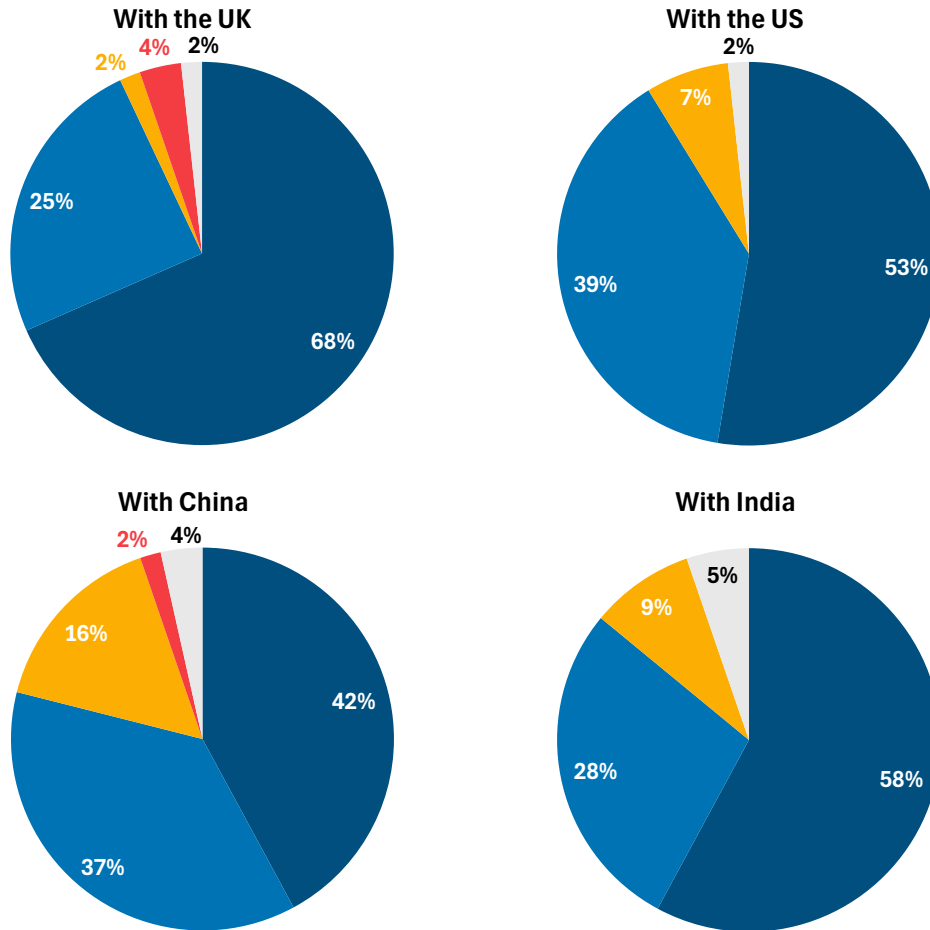
- **CEOs in Europe see the UK and the US as leading strategic partners for the EU.** 68% of respondents said the EU should give high priority to its relationship with the UK and 53% said the EU should do the same for the US. Another 39% and 25%, respectively, said the EU should give the US and the UK moderate priority.
- **Respondents said the EU should give India higher priority than China when building strategic relationships.** 58% of respondents said India should receive high priority, compared to 42% for China. 37% of respondents said the EU should give moderate (28%) or low (9%) priority to India, compared to over half (37% moderate and 16% low) who said so about China.

Figure 9

Despite mixed views about long-term business conditions in the US and the UK, both are considered key strategic partners for the EU, while support for India aligns with stronger economic expectations

*Looking ahead, what priority should the EU give to building or deepening strategic relationships with the following economies and regions?
(By “strategic relationships” we mean sustained cooperation across areas such as trade and investment, supply chains, technology, security, and climate/energy)*

■ High priority ■ Moderate priority ■ Low priority ■ No priority ■ Don't know



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

Source: The Conference Board Measure of CEO Confidence™ for Europe by ERT, H1 2026

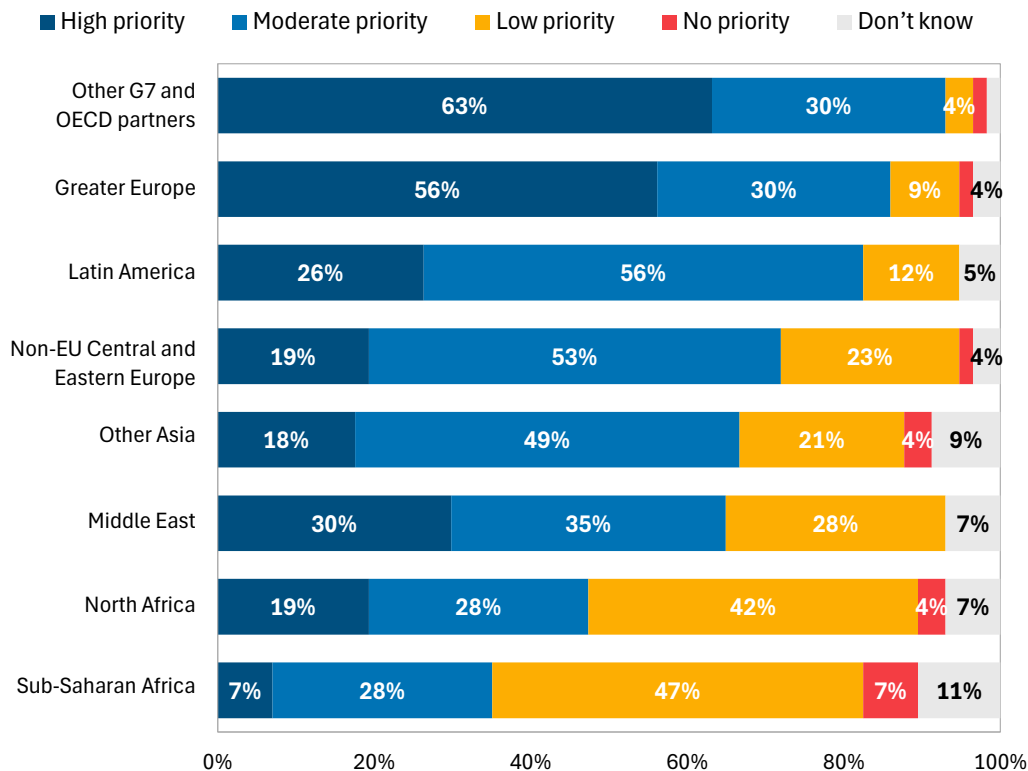
- **Compared to those who said the US should receive high priority, a slightly larger share said that the EU should prioritize other advanced economies such as Australia, Canada, Japan, and South Korea (63%), and Greater Europe (58%).** This contrasts with the relatively weaker assessments of the long-term business conditions for the latter group.

- **Consistent with relatively positive views about long-term business conditions in Other Asia and Latin America, CEOs view these regions as important strategic partners**, with 18% and 26% of respondents giving these regions high priority, respectively; and 49% and 56% giving them moderate priority, respectively.
- **Despite weaker expectations about long-term business conditions, countries in the Middle East are also perceived as important strategic partners**, with 30% of respondents giving the region high priority and 35% giving it moderate priority. **Similarly, CEOs perceive Latin American countries to be important**, with 26% giving the region high priority and 56% moderate.

Figure 10

CEOs consider that the EU should prioritize partnerships with other advanced economies, while Latin America, Non-EU Central and Eastern Europe, Other Asia, and the Middle East rank high among emerging markets

Looking ahead, what priority should the EU give to building or deepening strategic relationships with the following economies and regions? (By “strategic relationships” we mean sustained cooperation across areas such as trade and investment, supply chains, technology, security, and climate/energy)



Note: Figures may not total 100% due to rounding. Other G7 and OECD partners refers to Australia, Canada, Japan and South Korea; Greater Europe to Iceland, Norway, and Switzerland; and Other Asia to all Asia excluding China, India, and Japan. Labels are not shown when they are below 2% for readability.

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Appendix: Single Market Prospects and Potential

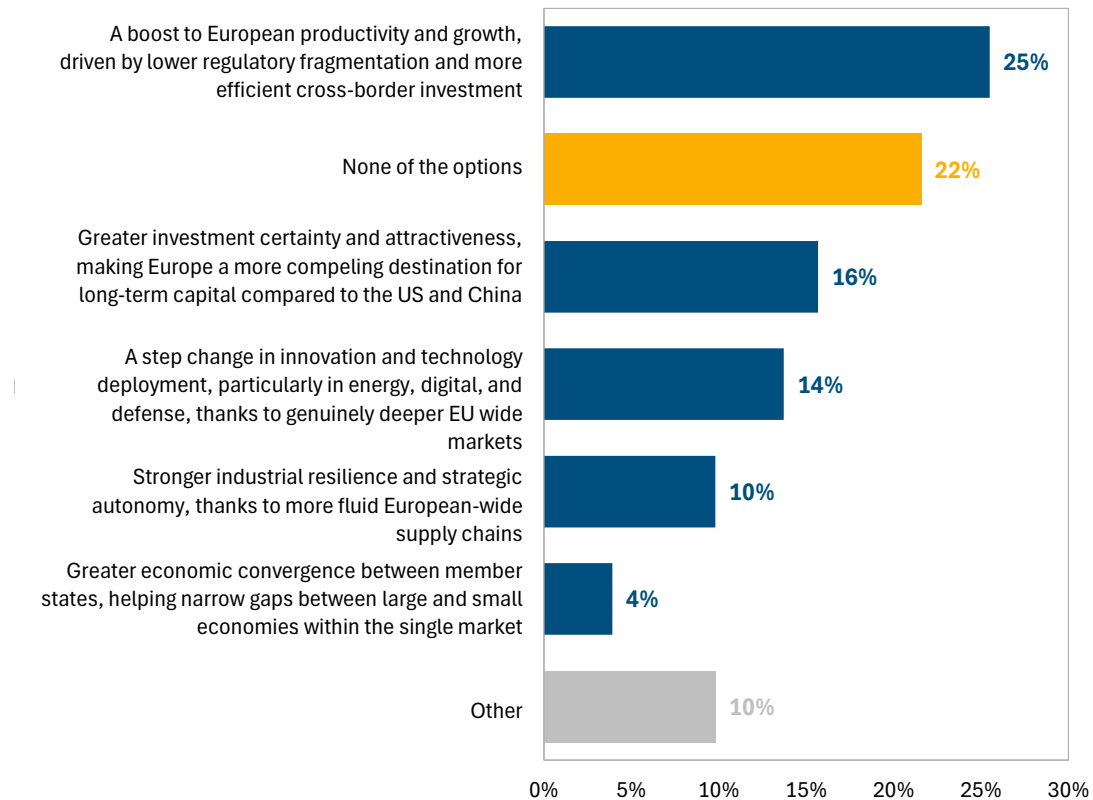
A majority of CEOs in Europe do not expect the single market to be completed by 2028. 35% of respondents anticipated that the single market will be completed by 2030 while 65% expected that it will not be. These results contrast with EU institutions' ambitions to reach agreements on legislative proposals by the end of 2027.⁵

Out of the CEOs who anticipate that the single market will be completed by 2030, one-quarter expected it to result in "a measurable boost to productivity and growth," 16% anticipated a positive impact on investment attractiveness, and 14% foresaw benefits to innovation and technology.

Figure 11

Improvements in productivity, growth and investment conditions as well as strengthening innovation and technology deployment are seen as the key benefits from potential single market completion

Nearly two years on from the Letta Report on the single market, in mid-March, the EU committed to deliver a new wave of economic integration, the One Europe, One Market agenda. What do you expect to see as the most promising consequence for Europe?



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

Source: The Conference Board Measure of CEO Confidence™ for Europe by ERT, H1 2026

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 in 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 April 10 and April 30, 2026, to 58 ERT members; 57 replied, resulting in a response rate of 98%.

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 view interactive charts with this data, please visit the [CEO Confidence Dashboard](#) and to request historical data, please contact the author at afiorito@tcb.org.

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

¹ John Gardner, Alex Heil, Erik Lundh, Konstantinos Panitsas, and Yelena Shulyatyeva, *Webinar: The Iran Conflict: Risks for the Global Economy*. The Conference Board, April 15 2026.

² Konstantinos Panitsas, *Confidence Drops, CEOs Urge Europe to Follow Mario Draghi's Recommendations*, The Conference Board, November 2024.

³ Konstantinos Panitsas, *CEO Confidence Drops to An All-Time Low in H2 2022*, The Conference Board, November 2022; and Ilaria Maselli and Konstantinos Panitsas, *War in Ukraine and High Energy Prices Will Shape the Global Business Environment for the Long Term*, The Conference Board, May 2022.

⁴ Alejandro Fiorito, *CEO Confidence Still Wavering, Investments Stalled, EU Reforms in the Spotlight*, The Conference Board, December 2025.

⁵ General Secretariat of the Council of the European Union, *One Europe, One Market Roadmap of the European Parliament, the Council of the European Union and the European Commission*, Council of the European Union, April 2026.