2024

Eurochambres Economic Survey

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Foreword

The 2024 Eurochambres Economic Survey (EES2024) shows that entrepreneurs are highly cautious about prospects for next year. While the overall results are a slight improvement on EES2023's historically low findings, this ongoing wariness is understandable given the many factors that combine to form an unfavourable business environment across Europe.

Several of these factors are a legacy of the pandemic, others a consequence of the ongoing war in Ukraine and geopolitical uncertainty elsewhere. Policy-makers at EU and national level took measures to mitigate the immediate impact of these major crises on the economy, but the situation remains precarious, as EES2024 indicates.

The EES2024 findings represent a call to action for politicians and officials. The EU must control the controllable elements that are proving detrimental to businesses' efforts to move on from survival to success and to drive Europe's recovery and growth.

One such controllable element is the stockpile of existing regulatory requirements and the flow of new ones. Since the beginning of the 2019-2024 EU term, the European business community has been exposed to a high number of significant new legislative proposals. The pursuit of the von der Leyen Commission's policy objectives has continued unabated, despite strong economic headwinds. This inflexibility is costing businesses dear.

EES2024 reveals that access to affordable energy and raw materials, labour costs, and skills shortages remain the key challenges. Solutions to these challenges must be found by policy-makers in close collaboration with chambers and their member companies if a more business-friendly environment is to be achieved.

A fully functioning single market is essential to tackling many of the barriers to growth. Chambers are determined to support a renewed effort at EU and national level to reduce the remaining obstacles to the free movement of goods, services, people, and capital.

Eurochambres and the chamber network are proud to present the results of EES2024 and committed to working with the EU institutions to address the many issues raised.

Vladimír Dlouhý
President of Eurochambres

Acknowledgments

We would like to warmly thank colleagues from the European chamber network who actively contributed to the preparation of EES2024 – please find a full list of EES2024 national coordinators in annex.

Eurochambres would like to extend its gratitude also to the 43.036 entrepreneurs who responded to the EES2024 questionnaire and acknowledge their invaluable role as the engine of innovation, creativity, growth and jobs for Europe’s economy.

Executive summary

The last few years have been extremely challenging for European entrepreneurs. Russia's unprovoked invasion of Ukraine, the exceptionally high energy prices, and inflation marked 2022 and 2023 and took a heavier toll than expected. All of this led to high volatility in the economic performance of Europe and uncertainty among European policymakers. The efforts to secure alternative sources of energy closed the most glaring gap in a still fragmented single market and laid the basis to address short-term energy security concerns, as well as long-term climate neutrality goals.

EES2023 published 12 months previously registered the lowest level of business confidence since the survey began 30 years ago. The results of the EES2024 continue to reflect the challenging conditions encountered across the nonetheless resilient European economy. The overall economic climate for 2024 remains uncertain for entrepreneurs and exposed to the structural fragilities of previous EES editions, according to all of the survey indicators. The results reveal that affordable access to energy and raw materials, labour costs, and skills shortages are still considered among the key challenges.

Introduction

The Eurochambres Economic Survey 2024 is a unique piece of qualitative research carried out with the cooperation of 27 national chambers of commerce and industry across the continent. Over the years, the EES has proved to be a reliable source of information for EU policymakers given its capacity to shed light on the mood across the business community and the challenges identified by entrepreneurs. The new edition of the EES is based on the replies of over 43.000 European businesses, a large majority of which are SMEs. The survey at the basis of the report was structured according to a set of six questions in the form of multiple choice. Questions 1 to 5 relate to key business indicators (domestic sales, exports, employment, investment and business confidence level). Respondents were asked to indicate if an “Increase”, “Decrease” or “Constant” level is expected for next year with respect to the five indicators. Question 6 addresses the main challenges for businesses, with respondents asked to provide a maximum of three answers among the seven options.

Restrained business expectations for 2024

The chance of seeing a swift, strong post-pandemic rebound in the EU GDP has faded away, largely due to the energy crisis, but also supply chain disruption and other factors. As a result, the latest Economic Forecasts of the European Commission point to very low levels of growth over the next one or two years. The exceptionally high inflation registered in Q4 2022 and Q1 2023 is set to continue to decline over 2024, driven by the fall in food and energy prices and the tight monetary policy adopted by the European Central Bank (ECB). At the same time, while elevated interest rates will weigh on private investments, the recovery of private consumption will lift growth going forward. Monetary policy is expected to consistently bring down inflation – yet at different speeds among member states – but fiscal spending must also play an important role in boosting growth over the medium term. In this regard, an efficient implementation of programmes such as the NextGeneration EU (NGEU) in support of businesses remains key. Uncertainty will continue to dominate expectations and therefore it has to be consistently factored in when referring to future trends and while producing forecasts. To overcome such fear of the unpredictable, European policymakers must continue to reduce potential sources of economic shocks and guarantee a stable and predictable economic environment for businesses to invest and thrive, moving away from the harmful narrative of an economy constantly in permacrisis.

Box 1. Interpretation of the EES Index

The initial national index is calculated for each country simply as the percentage of "*Increase*" minus the percentage of "*Decrease*", all divided by the percentage of "*Constant*". Afterwards, the EES Index is computed by weighing the results according to the country economic dimension, their contribution to the share in the total GDP of selected economies, and the number of businesses surveyed. The EES Index is interpreted as follows:

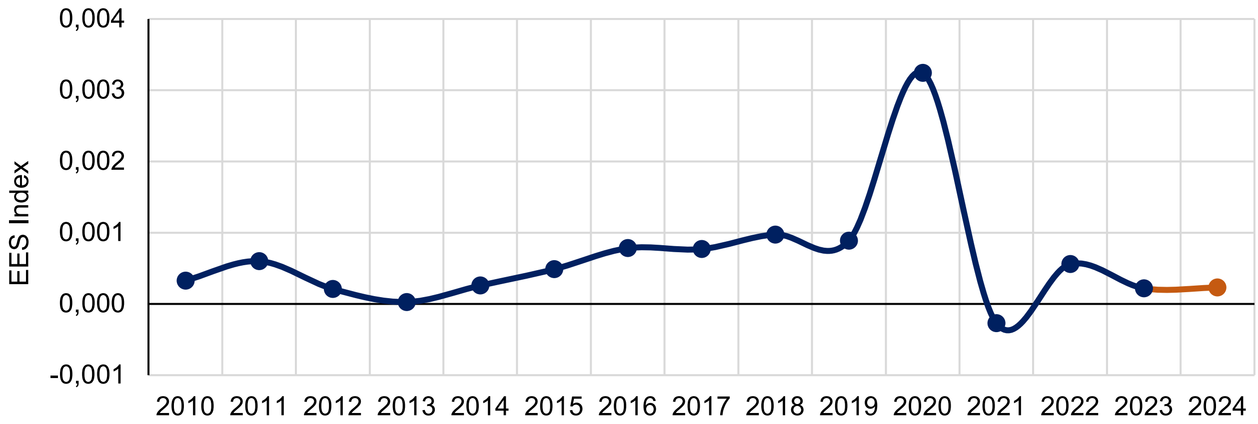
- **EES Index (2024) > EES Index (2023)** - *Participants expect the trend to increase in comparison with the current year*
- **EES Index (2024) = EES Index (2023)** - *Participants expect the trend to be the same as the current year*
- **EES Index (2024) < EES Index (2023)** - *Participants expect the trend to decrease in comparison with the current year*

The zero on the horizontal axis provides an indication of the long-term average of expectations. The EES Index, as a pure value, does not represent a percentage of respondents. Instead, it is interpreted as the following: if the grade is higher than a given year, it means that more people believe that results for next year will increase and vice-versa. The variation of the index across the years therefore provides a clearer understanding of the businesses' sentiment direction for 2024. Find more information in the "Methodology" section at the end of the report.

1. National sales plateau but remain positive

National sales expectations for 2024 have barely shifted compared to last year. Weak domestic demand, driven by high consumer prices and low private consumption, remains the main obstacle to more robust expectations for sales of goods and services on the national territory. In particular, upward pressures on prices for most goods and services could prove more persistent than expected, risking to jeopardise the mildly positive performance of the national sales indicator. Another source of uncertainty is how far the ECB will go in raising the cost of credit through interest rate levels. Striking the right balance to steadily reduce inflation would have a knock-on effect on growth by boosting consumer spending power.

Figure 1. Trend of expected Revenue from National Sales Index

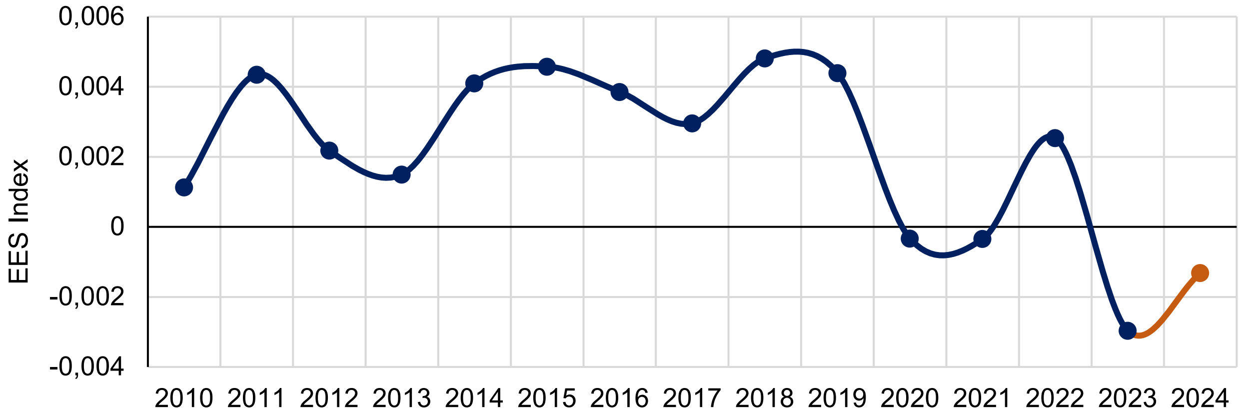


2. Export sales predictions low again

The world economy is expected to grow by 2.7% in 2024, down from 3% in 2023, and disproportionally driven by the Asian markets, despite a slowing down of the Chinese economy[1]. As a consequence of subdued external demand, export sales and traded volumes of European businesses are set to decrease again as in 2023, but to a lesser degree. Expected exports remain well below the positive levels registered in the past decade or directly after the easing of COVID-19 restrictions on the movement of goods and people. The poor result is also due to the impact of Russia's invasion of Ukraine. The EU sanctions directly or indirectly affected the trade of oil, natural gas, and coal, resulting in significant changes in the share of the main trading partners for European businesses. Such actions also partially reflect entrepreneurs' preference for closer and more resilient value chains to minimise the risk of shortages and supply chain disruption.

[1] According to the OECD Economic Outlook, Interim Report September 2023, growth in the Euro area is forecasted at 0.6% in 2023 and 1.1% in 2024 (Germany, the largest economy in Europe, registers a -0,2% in 2023 and 0,9% in 2024).

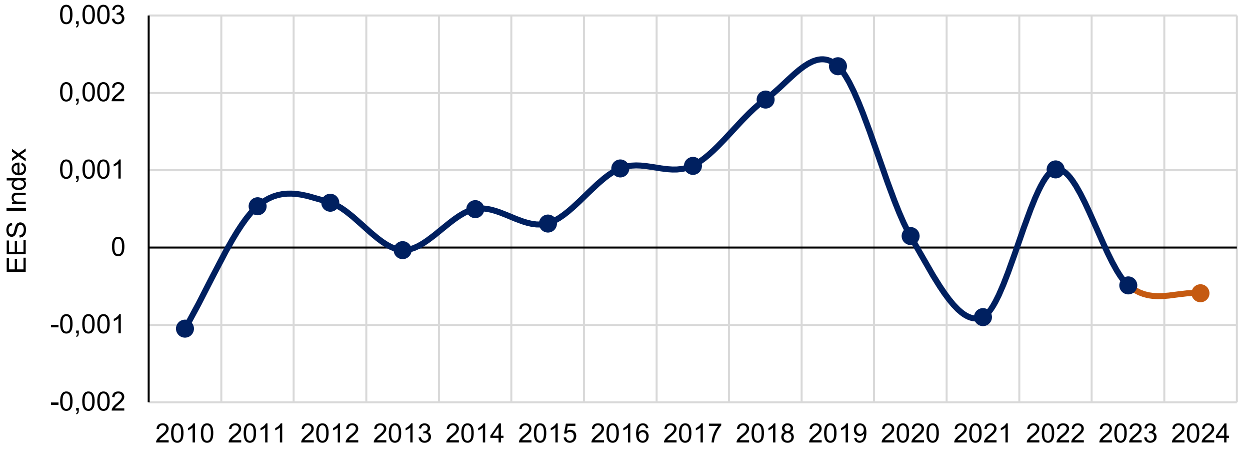
Figure 2. Trend of expected Revenue from Export Sales Index



3. Supply and demand factors constrain job creation

After a sharp decrease in the EES employment index registered in the previous edition, expectations are set to remain negative. A partial explanation for this result is to be found in the difficulty of member states to reinforce job retention schemes to be used in case of a temporary shock, together with training. Despite the structural challenge of a lack of skilled workers, especially in the context of the twin transition, businesses in Europe are anticipating a decrease in employment rather than an increase. The result is corroborated by the latest ECB forecasts, which indicate a rise in eurozone unemployment to 6.7% in 2024, as low growth prospects force employers to cut jobs. This is the case for businesses operating in energy-intensive sectors, manufacturing, construction, and automotive industry due to the structural transformation in the automotive sector, as well as the sluggish global economy. The objective of a more digital and greener Europe strongly relies on the availability of skilled workers which, in turn, influences entrepreneurs' capacity and appetite to increase their workforce. With the private sector bearing a sizeable portion of the cost of upskilling and reskilling the workforce, European businesses need to be supported through easier access to funding opportunities, both from EU and national programmes.

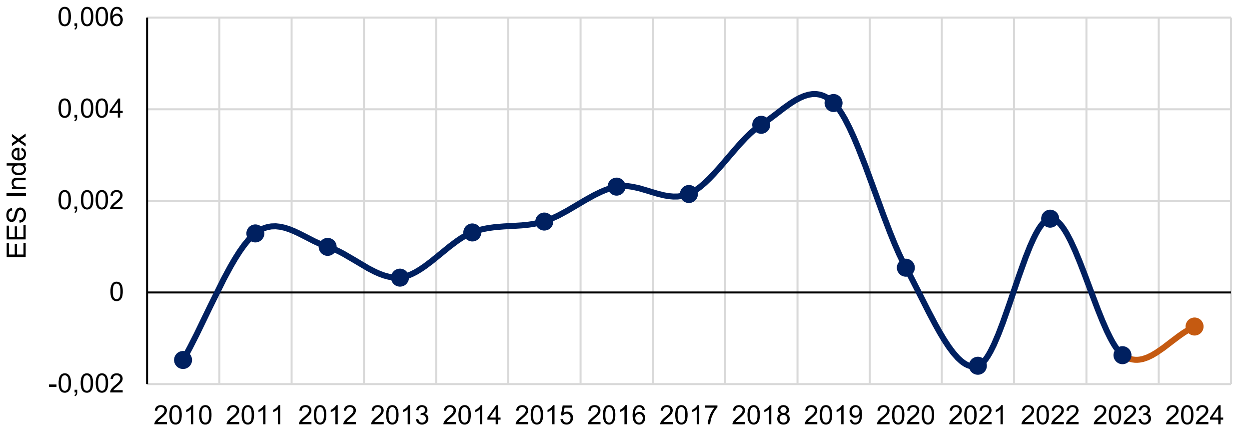
Figure 3. Trend of expected Employment Index



4. Fear of new shocks holds back investments

Investments are by nature the most sensitive element of the business environment as the economic climate is such a key factor influencing spending decisions. High energy prices and other concerns – such as potential new shocks – are holding back investment intentions for next year. In general terms, companies' investment preferences for next year are – at least partially – explained by the necessity to innovate and adapt to new market trends and requirements, rather than seeking new business opportunities. This 'necessity driven' form of investment is not a good recipe for economic recovery and growth.

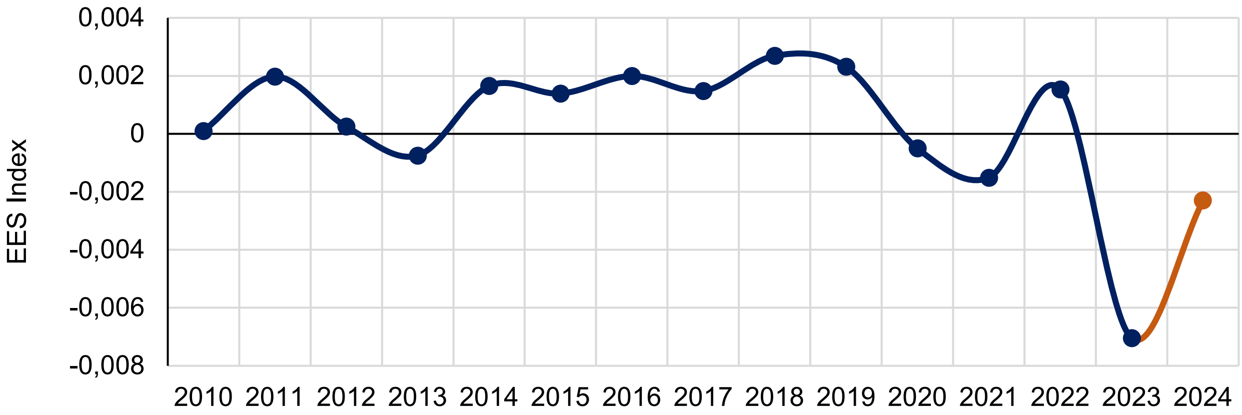
Figure 4. Trend of expected Investments Index



5. Business confidence remains low

Last year the "Business Confidence" index registered a dramatic drop to a historic-low for the EES. Although the EES2024 index on business confidence is less bad than 12 months earlier, the generally negative outlook expressed in the other EES2024 indexes is unsurprisingly reflected in business confidence for next year, which remains significantly below the long-term average. The vast majority of entrepreneurs responding to the EES continue to suffer from the high prices and interest rates.
Policymakers should reflect on this result as a clear signal that Europe risks lagging behind other economies and losing competitiveness if the concerns of the European entrepreneurs are not fully addressed and relief measures are not implemented swiftly and effectively.

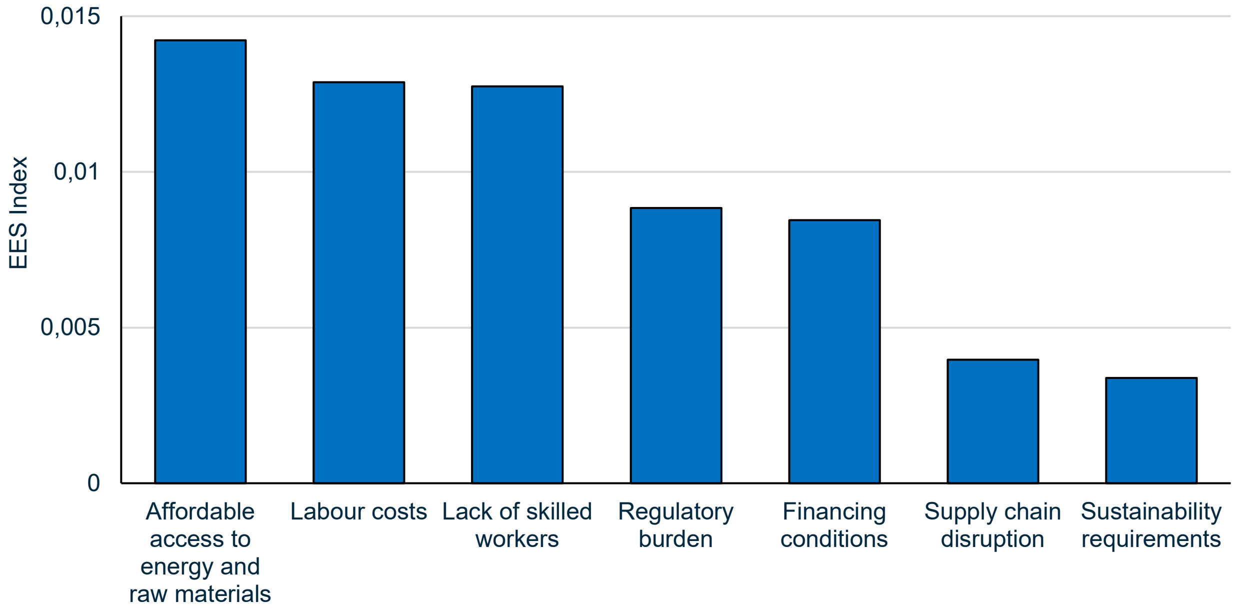
Figure 5. Trend of expected Business Confidence Index



6. Persistent challenges limit Europe's recovery and growth

Affordable access to energy and raw materials, labour costs and skills shortages are the top three challenges identified by EES2024 respondents. These have been the top three challenges for three years in row, reflecting their persistent and chronic nature across the surveyed businesses.

Figure 6. Challenges – EES2024



Source: Eurochambres calculation, based on data from the EES2024, Question 6. **Note:** Financing conditions include factors such as high interest rates, access to finance, and late payments.

The second category of challenges includes "Regulatory Burden" (fourth) and "Financing conditions" (fifth) due to the increasing volume of regulation and barriers to finance. Eurochambres is in particular engaged in working with the European Commission to simplify the regulatory environment for businesses, as a lack of progress in this area is having a disruptive impact on Europe's competitiveness. The third category of challenges includes "Supply chain disruption" (sixth) and "Sustainability requirements" (seventh). EU regulations and requirements under the Green Deal are continuously posing challenges for businesses in several sectors, and its effect will be more apparent in the years to come.

Exploring the challenges one by one, **affordable access to energy and raw materials** remains the top challenge for a third consecutive year. The mechanisms established by governments to alleviate the pressure of high energy costs and excessively high bills on consumers – for instance through subsidies – appear not to have reduced concerns among the surveyed entrepreneurs. Initiatives to reduce the EU's dependence on Russian imports, such as the REPowerEU package, led to a decrease in energy price volatility and a steady decline in energy prices in 2023. However, they remain significantly higher than pre-crisis levels. To cope with this shift, the EU has become much more reliant on shipments of liquefied natural gas (LNG) than before, exposing the European economies to high volatility in prices and quantities. In addition, while businesses in 2024 will continue to be particularly sensitive to variations in energy and other commodity prices, Europe will have to face another pressing challenge with the need to access critical raw materials (CRM).. According to the International Energy Agency (IEA), the transition to reach net zero globally by 2050 would require six times more minerals in 2040 than today. Crucially, the EU faces dependencies on several critical raw materials, with often more than 90% of EU supply coming from a single third country. CRM are indispensable for a wide set of technologies needed for EU strategic sectors such as the net-zero industry, digital, space, and defence. While the demand for such critical raw materials has never been higher, it is expected to continue to grow driven by the green and digital transitions.

While the European Commission's Critical Raw Materials Act presents an opportunity for job creation and economic development in these sectors, it also brings challenges in meeting the benchmarks, securing investment, finding skilled staff, and ensuring compliance with the new regulations.

Labour costs represent the second main challenge. One of the main consequences of prolonged high inflation has been the necessary adjustment of wages, which, by nature, react slower than prices to shocks. This is particularly the case for labour-intensive sectors. According to quantitative ad hoc questions on euro area firms' expectations about their wages presented by the ECB in June 2023, firms reported on average that they expect their employees' wages to rise by 5.4% over the next 12 months. As a result, this is adding further pressure on prices with the risk – already pointed out in EES2023 – of a disruptive "wage-price spiral" across Europe. In fact, according to the ECB, selling prices of businesses are expected to increase by 6.1% in the coming months.

The difficulty that EES2024 respondents highlight in relation to a **lack of skilled workforce** is closely linked to the high labour costs due to the need of companies to cover expenses for professional training and education of workers. This becomes a crucial element to tackle the needs of the market and address the mismatch in the supply of and demand for skills. Vocational education and training (VET) must be promoted, coordinated, and resolutely aligned with the challenges of the green and digital transitions at the EU level. Emphasis should also be placed on the development of transversal skills, such as entrepreneurship. Chambers can and are playing an active role in this. For example, the EULEP[2] project brings together twenty organizations from eight countries to make continuing VET(C-VET) more attractive and will offer businesses new and tailor-made training modules that address their skills needs in innovation-oriented subjects (artificial intelligence, virtual reality, and social innovation). According to the recent EULEP survey, respondents consider that there is a clear need for employee training in both AI and VR subjects, with a particular need for basic digital training.[3]

A key factor for a level playing field is a predictable, proportionate, and business-friendly regulatory framework. However, businesses in Europe have been drowning under the

[2] EULEP is a project managed by Eurochambres and funded by the European Union. Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or EACEA. Neither the European Union nor EACEA can be held responsible for them.
[3] Workforce needs for up and reskilling in Artificial Intelligence, Virtual reality and social innovation (eulep.eu)

enormous wave of bureaucratic costs deriving from new legislation and compliance requirements. As a result, European entrepreneurs identify **regulatory burdens** as a major challenge for 2024. While the results differ across European countries participating in the EES2024, national legislation is invariably linked to EU directives and regulations. Smaller businesses are often unaware of the origins of reporting or compliance requirements, but they are acutely aware of and directly exposed to the consequences of policies that have been designed without adequately taking into account the impact on their activities or the broader regulatory context.

Europe must build a flexible and agile regulatory environment that enables businesses to flourish. The stockpile of legislation and over-stringent regulations put forward in the last decade by the EU has gone in the opposite direction, making it more challenging for businesses to comply. Disclosure requirements continue to be extremely far-reaching, detailed, and complex. This negatively affects not only the capacity of companies to implement and comply with new standards but also the quality, clarity, and comprehensibility of the information and reports.

The reduction of reporting burdens is a necessary measure to enhance the competitiveness of the European economy. In a period when companies are suffering from a variety of factors, policy-makers must seek to control the controllables, and seek to remove long-lasting obstacles to doing business. EU policy should complement the needs of the business community and stimulate innovation and growth. Policymakers should fully take into account the contribution of European businesses to the economy and limit reporting requirements. This would strengthen rather than undermine EU policy objectives, as it would allow businesses to dedicate more resources to investing financial and human resources to implementing digital and sustainable practices.

As also confirmed by the ECB report on access to finance for enterprises, Euro area enterprises remain more concerned about staff availability and costs than about access to finance. This is in line with the trend observed among the businesses surveyed in EES2024, with a relatively low share of businesses reporting **financing conditions** as a major concern. Under the option “financing conditions”, entrepreneurs refer to high-interest rates which directly impact access to bank loans, credit lines, and debt securities, and other factors exposing SMEs to financial vulnerability such as late payments as a source of financing at zero costs, albeit differing greatly across sectors and member states.

During the COVID-19 pandemic, companies were under great pressure due to the compounded effect of increasing costs and lack of liquidity which raised the number of bankruptcies across Europe. To overcome the potential **supply chain disruption**, businesses relied on obtaining financing for inventories and capital. However, the decline in the relevance of financing conditions for the year ahead among entrepreneurs is in line with the easing of supply bottlenecks, which ranks sixth in the EES2024 (down from the fourth position registered in last year's edition).

Finally, **sustainability requirements** are not seen as a major concern for businesses in 2024. It will be interesting to monitor this in future editions of the EES given that new environmental standards are due to become mandatory in the coming years. In this sense, complex and granular sustainability requirements stemming from EU regulations such as the Corporate Sustainability Reporting Directive and the European Sustainability Reporting Standards represent a major issue.

According to the Joint Research Centre report on Strategic Foresight in July 2023, Europe needs €620 billion a year to finance the climate and energy transition goals set by the Green Deal and REPowerEU, another €92 billion to comply with the Net Zero Industry Act framework and another €120 billion to fuel the digital transition. That is why unlocking investments is paramount.

POLICY RECOMMENDATIONS

#EntrepreneursSay they need…

A revitalized EU trade agenda to boost Europe's competitiveness

- The EU should continue to pursue a positive trade agenda that aims at increasing market access in third countries. The pandemic and associated supply chain challenges made clear the critical need for cooperation with international partners to address supply chain vulnerabilities and promote resilience. The war in Ukraine further highlighted Europe's vulnerability and dependencies – when many industries did not have access to critical raw materials for months, their productivity slowed.

- The European Commission must prioritise the conclusion and ratification of trade agreements before the end of the 2019-2024 term, notably EU-Mercosur, EU-India, and EU-Australia, as well as seeking to reinvigorate relations with Latin America and the Caribbean, building on the current momentum of the Spanish and Belgian Presidency of the Council of the EU. Equally, it remains critical for the EU to prioritize SMEs in future trade policy and show leadership in pursuing an inclusive and ambitious SME agenda in its bilateral agreements.

- Enhancing the security of the supply of critical raw materials for the green transition is essential in times when demand is exponentially rising as the European and global economies are making a transition to a low-carbon economy as provided by the Critical Raw Materials Act. At the same time, a further de-bureaucratization of strategic projects and avoiding additional reporting requirements on companies will be key. EU support and funding are required to improve efficiency, substitution, recycling processes, and closed material cycles.

- The European trade agenda must focus on ratifying and delivering new trade agreements with the world's growth centres and resource rich countries. Furthermore, trade agreements with other resource-rich countries and regions such as Australia and Mercosur should be speedily concluded, as they could help ensure access to raw materials. An important feature of these agreements is that rules of origin facilitate access to primary and secondary raw materials and do not create trade barriers. At international level, better cooperation with like-minded countries (e.g. through the G20, G7, EU–US Trade and Technology Council and CRM-specific forums) could make the supply of CRMs more secure.

Development and attraction of talent and skills to drive the twin transition

- Chambers of commerce and industry play a key and hybrid role, developing and upgrading skills, representing businesses and the “users” of these skills, while also developing and delivering VET policies. Well-targeted EU funding can support the upskilling/reskilling of the workforce to maintain competitiveness and to address the workforce transformations related to green and digital goals.

- To facilitate skills matching and to ensure that workers see the benefits of engaging in further education and training through upskilling/reskilling processes, it is crucial to improve the recognition of qualifications. Difficulties in recognition of qualifications remain a significant hurdle to better job matching and increased labour mobility. To that end, recognition, portability, and transparency of qualifications need to be improved throughout the EU, and the uptake of tools such as micro-credentials and individual learning accounts, further encouraged. Similarly, progress towards achieving the European Education Area could improve transparency and efficiency in the EU labour markets, within the remits of national competencies.

- The upskilling and reskilling effort across the EU workforce requires increased support – at EU and national level – for the development and modernisation of vocational education and training (VET), in a lifelong perspective. The growing demand for skilled employees within the AI field cannot be met by current education and training programmes. Eurochambres supports the Digital Compass Europe which can fast-track the upskilling of the EU’s workforce to meet this ever-increasing demand.

- Green skills and green jobs are instrumental in translating the new opportunities created by clean and sustainable technologies into actual economic growth. Green skills are multi-faceted and affect virtually every process in a company. To implement the green transition effectively, it is therefore often necessary to train the entire staff. Dedicated programmes with training assistance for SMEs should be put in place while taking into account the diverse local and regional demands.

- Higher cross-border labour mobility is needed to improve resilience and the matching of workers with job offers across countries. Moreover, EU budget support should be made more efficient to support regional convergence.

- Improving legal pathways to the EU: there is a clear untapped potential when it comes to attracting workers from third countries, and the EU’s attractiveness remains limited by the complexity of its legal migration procedures, and the cost of international recruitment. The chambers network welcomes the upcoming Talent mobility package, covering different initiatives to improve the mobility of third-country nationals to and within the EU. The development of tools such as Talent Pool (to improve job and skills matching with third-country nationals) and the Talent Partnerships needs to be promoted. Similarly, the ongoing overhaul and simplification of the different schemes governing working and residing in the EU should be achieved, with a clear focus on alleviating the burden on businesses, especially SMEs.

A single market delivering on its potential

- While the single market has demonstrated strong resilience to economic shocks, more needs to be done to guarantee a level playing field. Businesses should be equipped with more efficient tools to access public procurement and financing opportunities under the Recovery and Resilience Facility and shared management funds. Difficulties in accessing credit and bank loans undermine the propensity of smaller businesses to invest in digital and sustainable practices, ultimately hindering the competitiveness of the European economy.

- Europe is the best manufacturing location in the world thanks to the knowledge, entrepreneurial skills, and high standards of European workers. These are key factors in the equation of competitiveness. However, Europe must build on the strengths of the single market as an economically attractive market by reducing market fragmentation, especially in the areas of digital services and capital markets.

- A clear and predictable legal framework for businesses is a *conditio sine qua non* for the free circulation of goods and services within Europe. EU institutions must remove unjustified barriers to cross-border trade while safeguarding Europe's distinctive standardisation system. European co-legislators should urgently simplify the regulatory framework. Long-term efforts should also address the need to help business owners transfer ownership to the next generation.

- Eurochambres' survey "The state of the Single Market: barriers and solutions" showed that complex administrative procedures and the variety of different national rules on goods and services place a considerable burden on businesses. These barriers represent a handicap to businesses and also affect market entry, limit economies of scale, and affect investment decisions. The single market is not delivering its full potential in terms of growth and jobs. Improved implementation and enforcement of EU law via reinforced cooperation between member states and the European Commission will translate into fairer competition.

- The SME Relief Package published in September 2023 introduced positive elements towards the creation of a fairer business environment for SMEs. Eurochambres welcomes the Commission's efforts to reduce reporting requirements and the announced appointment of an EU SME Envoy to reduce the cumulative burden of legislation and guarantee the correct application of the SME Test and competitiveness check. EU policy-making must consistently apply the better regulation guidelines across all Commission services and propose legislation that respect the “think small first” principle.

- The success of the digital transformation of European businesses depends on the promotion of EU-driven solutions. This will enable them to seize new opportunities for growth and innovation within the dynamic landscape of European businesses. In that sense, there is a need to simplify e-commerce regulations and cross-border sales processes to foster a seamless environment for businesses to expand their cross-border operations. This will lead to greater market accessibility and will support the growth of the services sector within the EU.

Alignment of European energy and industrial strategies with climate goals for a sustainable future

- The Green Deal has introduced a number of extremely ambitious targets. However, some of these targets appear to contradict each other, which poses considerable challenges for companies. Furthermore, the practical implications of these targets for climate policy are not always clear. To enable a green transition that is both effective and favourable to business interests, the EU must undertake a comprehensive reassessment of the European Green Deal targets. This reassessment must be done with coherence, balance, and pragmatism in mind and aim for a better balance between the strategy’s climate targets and objective of enhancing competitiveness.

- The alignment of the EU’s industrial strategy with its climate policies is a critical task that necessitates a thoughtful and balanced approach. It is important to carefully consider the diverse needs and capacities of businesses, particularly SMEs, to ensure that they can thrive while also contributing to climate goals. This may involve providing support and incentives for the adoption of green technologies, facilitating access to funding for sustainable initiatives, and creating an enabling environment that encourages innovation and sustainable practices within the industrial sector.

- Enhancing business affordability and dependability in accessing renewable energy is crucial for a fast green transition. This necessitates immediate actions to expedite the deployment of renewable energy solutions, provide essential infrastructure, streamline permitting processes, decrease bureaucratic hurdles, and establish feasible and favourable investment conditions.

- To accelerate the transition to a cleaner and more sustainable economy, it is vital to review and refine the sustainable finance framework within Europe. A recent Eurochambres survey on access to sustainable finance for SMEs[4] has shown that SMEs are very keen to invest in the green transition. However, they often lack access to external financing. Therefore the EU framework should be designed to promote investments in green and sustainable initiatives, providing the necessary financial support for businesses and projects that contribute to environmental objectives. Special attention should be given to the needs of SMEs, ensuring that they have access to the resources and funding required to participate in the green transition.

[4] Eurochambres Survey - Access to sustainable finance for SMEs: a European Survey 2023

- Achieving climate neutrality on a global scale requires concerted efforts and collaboration beyond European borders. The EU should actively seek to develop and strengthen global partnerships, engaging with other regions and countries in the pursuit of shared climate goals. This includes connecting with other emission trading systems and streamlining international agreements to facilitate a coordinated response to climate change. A particular focus should be placed on standardizing the methodologies used to calculate CO2 emissions from goods and services, ensuring consistency and transparency in how emissions are accounted for and reported.

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ANNEXES

Annex 1 – Participating Chambers of Commerce and Industry

Austria: Austrian Federal Economic Chamber
Daniela Pirchmoser

Bulgaria: Bulgarian Chamber of Commerce and Industry
Gabriela Dimitrova and Boryana Abadzhieva

Croatia: Croatian Chamber of Economy
Dubravka Zubak and Hrvoje Mirošević

Cyprus: Cyprus Chamber of Commerce and Industry
Menelaos Xenophontos

Czech Republic: Czech Chamber of Commerce
Renée Smyčková

Estonia: Estonian Chamber of Commerce and Industry
Marko Udras and Kaspar Keerup

Finland: Finland Chamber of Commerce and Industry
Jukka Appelqvist

France: French Chamber of Commerce and Industry
Patrick Brière

Germany: German Chamber of Commerce and Industry
Sebastian Titze and Dr. Jupp Zenzen

Greece: Union of Hellenic Chambers of Commerce
Vassilis Apostolopoulos and George Assonitis

Hungary: Hungarian Chamber of Commerce and Industry
Ágoston Horváth

Ireland: Chambers Ireland
Shane Conneely

Italy: Union of Italian Chambers of Commerce, Industry, Craft and Agriculture
Debora Giannini

Latvia: Latvian Chamber of Commerce and Industry
Krišs Zvirbulis

Lithuania: Lithuanian Chambers of Commerce, Industry and Crafts Association
Gediminas Rainys

Luxembourg: Chamber of Commerce of the Grand Duchy of Luxembourg
Sidonie Paris and Christel Chatelain

Malta: The Malta Chamber of Commerce, Enterprise and Industry
Daniel Debono

Montenegro: Chamber of Economy of Montenegro
Miljan Šestović

Poland: Polish Chamber of Commerce
Monika Sasiak and Piotr Lipiec

Portugal: Portuguese Chamber of Commerce and Industry
João Paes Cabral

Romania: Chamber of Commerce and Industry of Romania
Stefan Voinea and Oana Alexe

Serbia: Chamber of Commerce and Industry of Serbia
Milica Selakovic & Jovana Majstorović

Slovakia: Slovak Chamber of Commerce and Industry
Daniela Širáňová

Slovenia: Chamber of Commerce and Industry of Slovenia
Bojan Ivanc and Darja Močnik

Spain: Chamber of Commerce of Spain
Manuel Valero

Sweden: Sweden Chamber of Commerce
Per Tryding and Tarek Zaza

Türkiye: Union of Chambers and Commodity Exchanges of Turkey
Çağri Gürgür

Annex 2 – EES2024 Questionnaire

NATIONAL SALES	EXPORT SALES
***Q.1** We expect that our revenue from national sales in 2024 will:* Increase ( ) Remain constant ( ) Decrease ( )	***Q.2** We expect that our revenue from export sales in 2024 will:* Increase ( ) Remain constant ( ) Decrease ( )
LABOUR	**INVESTMENTS**
***Q.3** We expect that during 2024 the size of our workforce will:* Increase ( ) Remain constant ( ) Decrease ( )	***Q.4** We expect that during 2024 our level of investments will:* Increase ( ) Remain constant ( ) Decrease ( )

BUSINESS CONFIDENCE	
***Q.5** We expect that during 2024, overall developments for our business will be*:	
Favourable	( )
Remain constant	( )
Unfavourable	( )

CHALLENGES	
Q.6 *We expect that the biggest challenge(s) for the economic development of our company in 2024 will be (max. 3 answers possible):*	
Affordable access to energy and raw materials	( )
Financing conditions (e.g. interest rates, access to finance, late payments, etc.)	( )
Labour costs	( )
Lack of skilled workers	( )
Regulatory burdens	( )
Supply chain disruptions	( )
Sustainability requirements	( )

Annex 3 – Complementary tables and graphs

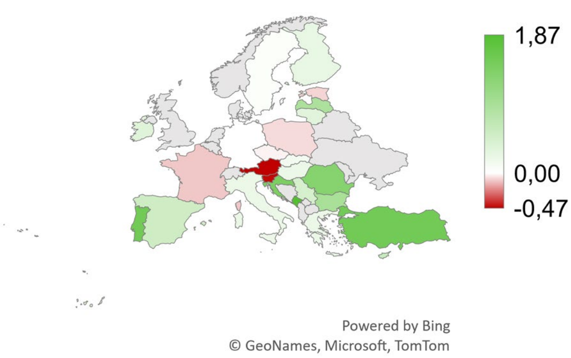
Table 1. Raw results and EES2024 Indexes

	National Sales				Export Sales				Employment				Investments				Business Confidence			
	Increase	Constant	Decrease	Index	Increase	Constant	Decrease	Index	Increase	Constant	Decrease	Index	Increase	Constant	Decrease	Index	Increase	Constant	Decrease	Index
Austria	25,76	32,88	41,36	-0,47	27,05	34,08	38,88	-0,35	15,32	52,63	32,05	-0,32	20,07	41,44	38,49	-0,44	8,44	33,19	58,37	-1,50
Bulgaria	48,65	39,28	12,07	0,93	41,77	42,06	16,17	0,61	30,20	61,04	8,76	0,35	41,35	47,45	11,20	0,64	54,06	33,38	12,56	1,24
Croatia	57,94	36,47	5,59	1,44	47,56	45,86	6,58	0,89	42,24	52,95	4,81	0,71	40,75	47,87	11,38	0,61	29,11	37,32	33,57	-0,12
Cyprus	39,20	54,70	6,10	0,61	44,70	39,00	16,30	0,73	39,20	54,70	6,10	0,61	39,90	48,80	11,30	0,59	44,70	48,10	7,20	0,78
Czech Rep.	18,72	61,25	20,03	-0,02	8,31	78,49	13,20	-0,06	11,30	76,08	12,62	-0,02	15,20	57,80	27,00	-0,20	21,92	55,77	22,31	-0,01
Estonia	26,50	43,60	29,90	-0,08	25,70	47,70	26,60	-0,02	19,00	62,40	18,60	0,01	21,00	42,70	36,30	-0,36	14,10	37,20	48,70	-0,93
Finland	34,60	40,90	24,50	0,25	19,30	68,10	12,60	0,10	23,10	60,50	16,50	0,11	17,50	55,20	27,30	-0,18	23,40	43,60	32,90	-0,22
France	16,00	59,00	22,00	-0,10	2,00	4,00	2,00	0,00	7,00	91,00	2,00	0,05	10,00	76,00	13,00	-0,04	16,00	43,00	38,00	-0,51
Germany				0,00	18,00	49,00	33,00	-0,31	13,00	65,00	22,00	-0,14	24,00	45,00	31,00	-0,16	13,00	52,00	35,00	-0,42
Greece	26,05	60,70	13,25	0,21	19,43	76,16	4,41	0,20	21,63	67,99	10,38	0,17	26,04	58,50	15,46	0,18	36,64	52,32	11,04	0,49
Hungary	31,70	46,50	21,80	0,21	31,70	46,50	21,80	0,21	21,90	66,00	12,10	0,15	28,60	47,20	24,20	0,09	29,10	56,90	14,00	0,27
Ireland	35,77	43,09	21,14	0,34	27,66	68,09	4,26	0,34	26,02	60,98	13,01	0,21	23,97	55,37	20,66	0,06	33,33	43,90	22,76	0,24
Italy	30,98	48,30	20,71	0,21	30,55	54,55	14,90	0,29	19,73	71,56	8,71	0,15	24,59	61,69	13,71	0,18	42,59	45,26	12,15	0,67
Latvia	48,70	25,20	26,10	0,90	40,20	41,50	18,30	0,53	38,20	53,80	8,00	0,56	27,90	44,50	27,60	0,01	23,20	49,70	27,10	-0,08
Lithuania	36,00	41,00	23,00	0,32	23,00	52,00	25,00	-0,04	20,00	51,00	29,00	-0,18	25,00	58,00	17,00	0,14	9,00	31,00	60,00	-1,65
Luxembourg	23,19	50,86	25,95	-0,05	34,30	37,80	27,80	0,17	20,20	65,40	14,40	0,09	18,70	59,40	21,90	-0,05	8,35	52,54	39,11	-0,59
Malta	50,00	50,00	0,00	1,00	50,00	50,00	0,00	1,00	75,00	25,00	0,00	3,00	25,00	75,00	0,00	0,33	25,00	75,00	0,00	0,33
Montenegro	63,09	30,10	6,81	1,87	39,87	50,98	9,15	0,60	41,10	48,95	9,95	0,64	50,00	41,10	8,90	1,00	54,97	35,08	9,95	1,28
Poland	30,20	37,10	32,70	-0,07	29,80	45,80	24,40	0,12	25,10	51,30	23,60	0,03	28,30	39,10	32,60	-0,11	33,10	27,80	39,10	-0,22
Portugal	57,26	27,42	15,32	1,53	50,41	38,21	11,38	1,02	48,78	42,28	8,94	0,94	48,87	38,38	12,75	0,94	54,04	31,26	14,70	1,26
Romania	55,00	31,90	13,10	1,31	31,90	52,10	16,00	0,31	40,00	48,00	12,00	0,58	46,00	39,00	15,00	0,79	60,00	23,00	17,00	1,87
Serbia	36,82	48,12	15,06	0,45	37,91	51,34	10,75	0,53	12,23	39,12	48,65	-0,93	9,51	53,14	37,35	-0,52	36,19	46,72	17,09	0,41
Slovakia	29,60	46,90	23,50	0,13	35,80	40,70	23,50	0,30	25,90	58,00	16,10	0,17	39,50	35,80	24,70	0,41	9,90	46,90	43,20	-0,71
Slovenia	15,00	48,00	37,00	-0,46	28,00	40,00	32,00	-0,10	17,00	51,00	32,00	-0,29	29,00	39,00	32,00	-0,08	8,00	26,00	66,00	-2,23
Spain	40,50	40,20	19,29	0,53	45,21	44,81	9,99	0,79	15,18	73,92	10,90	0,06	27,05	51,69	21,26	0,11	25,24	44,47	30,29	-0,11
Sweden	27,00	48,00	25,00	0,04	14,00	76,00	10,00	0,05	23,00	63,00	14,00	0,14	23,00	59,00	18,00	0,08	34,00	46,00	20,00	0,30
Türkiye	59,00	34,00	7,00	1,53	62,00	31,00	7,00	1,77	57,00	39,00	4,00	1,36	49,00	46,00	5,00	0,96	53,00	42,00	5,00	1,14

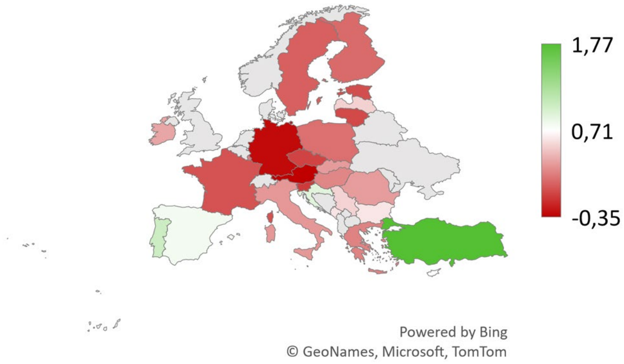
Note: The table includes the raw data as received from the national chambers of commerce. In addition, the national EES Indexes are reported. The EES Indexes are computed as the percentage of “Increase” minus the percentage of “Decrease”, all divided by the percentage of “Constant”. A positive/negative EES Index implies that participants expect the trend to increase/decrease in comparison to the current year. German companies did not reply to the first question on National Sales.

Figure 7. Country-level Expectations – EES2024 Indexes

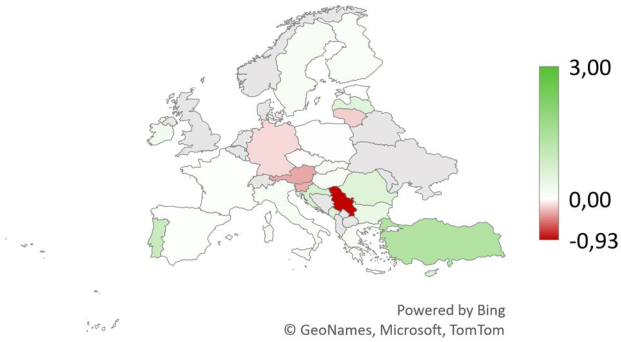
National Sales



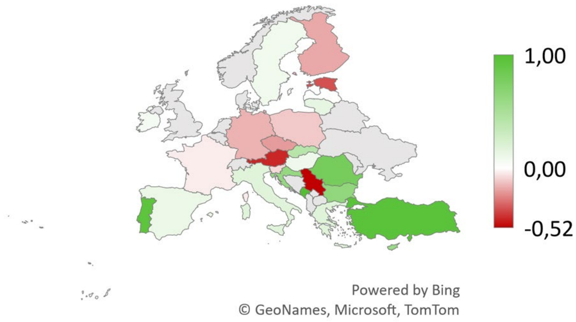
Export Sales



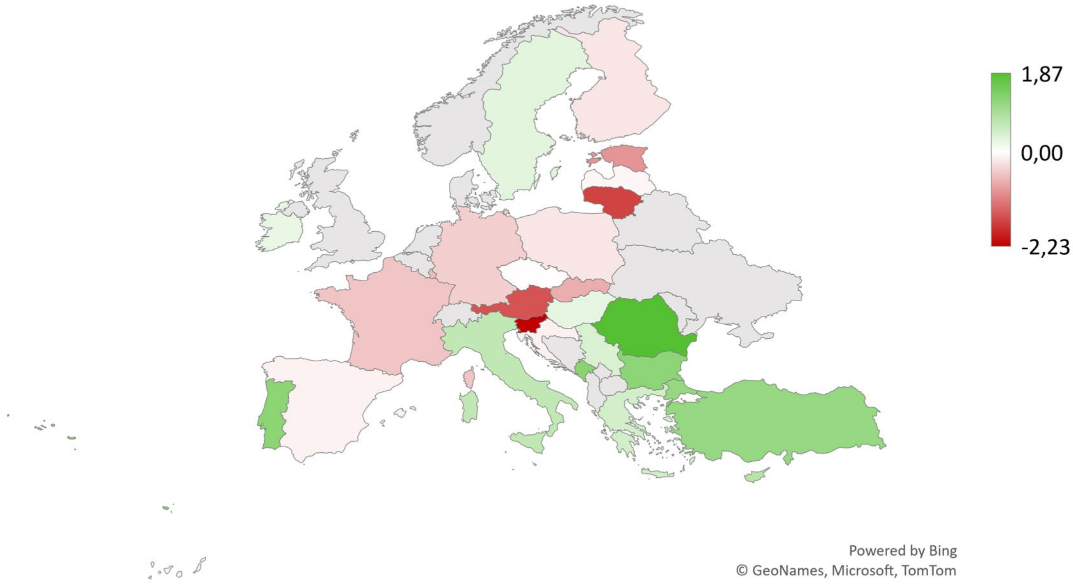
Employment



Investments

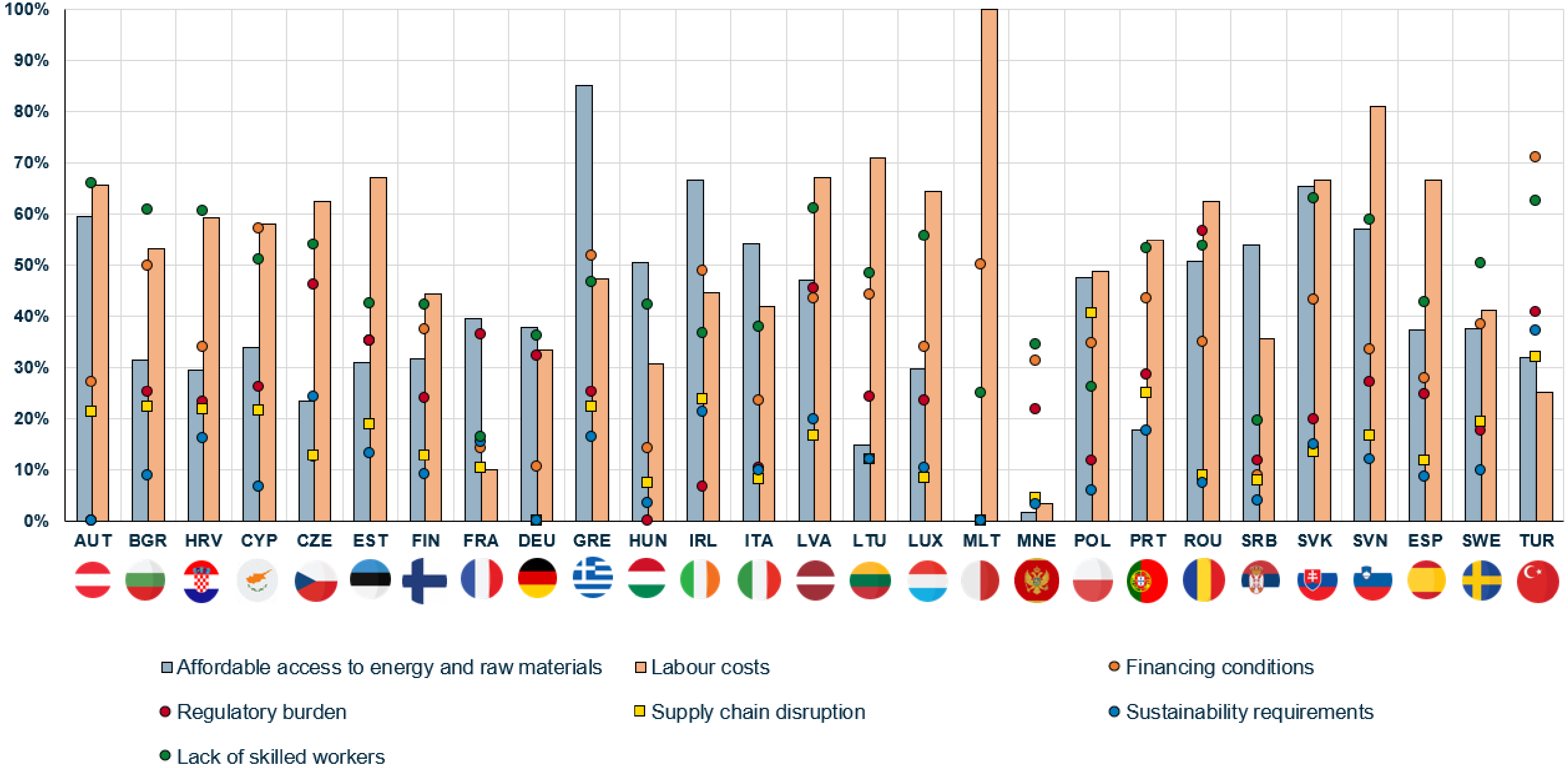


Business Confidence



Note: According to the legend, green corresponds to a positive national expectation, while the red colour signals an expected decrease in the 2024 levels with respect to 2023 ones.

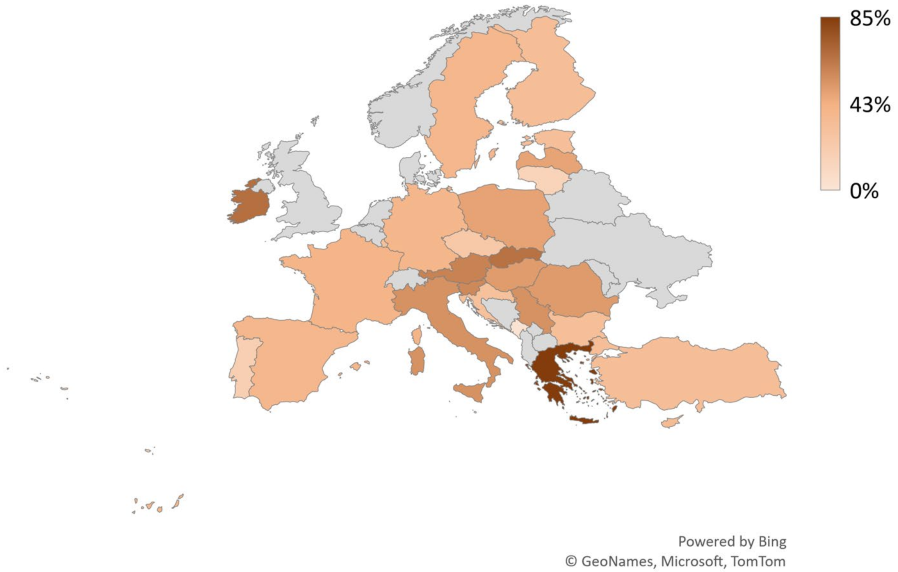
Figure 8. Main Challenges by country – EES2024



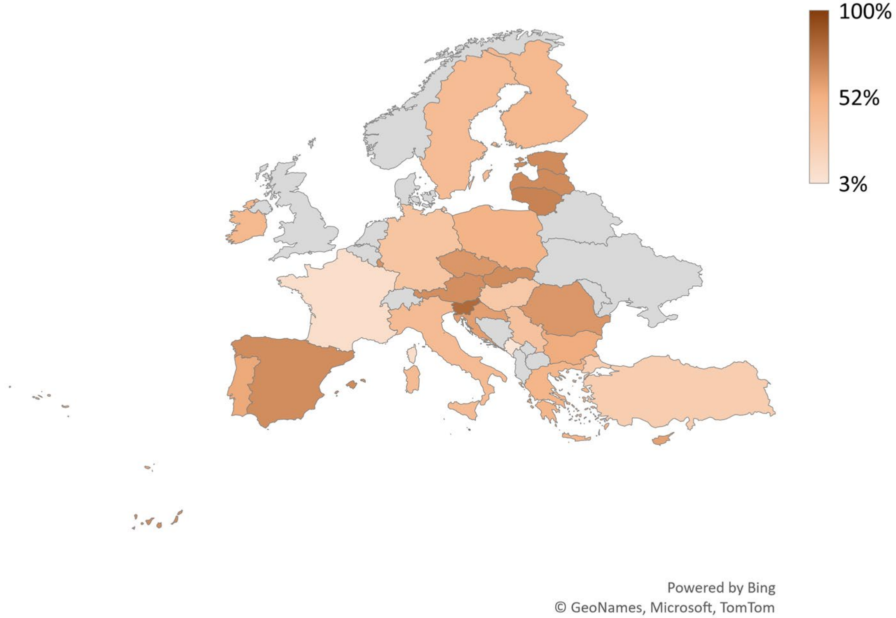
Note: Companies were asked – in Question 6 – to select up to three challenges that they expect to face in 2024. The percentage of companies – at the national level – selecting one of the six challenges, are presented.

Figure 9. Top 2 Challenges by country – EES2024

Affordable access to energy and raw materials

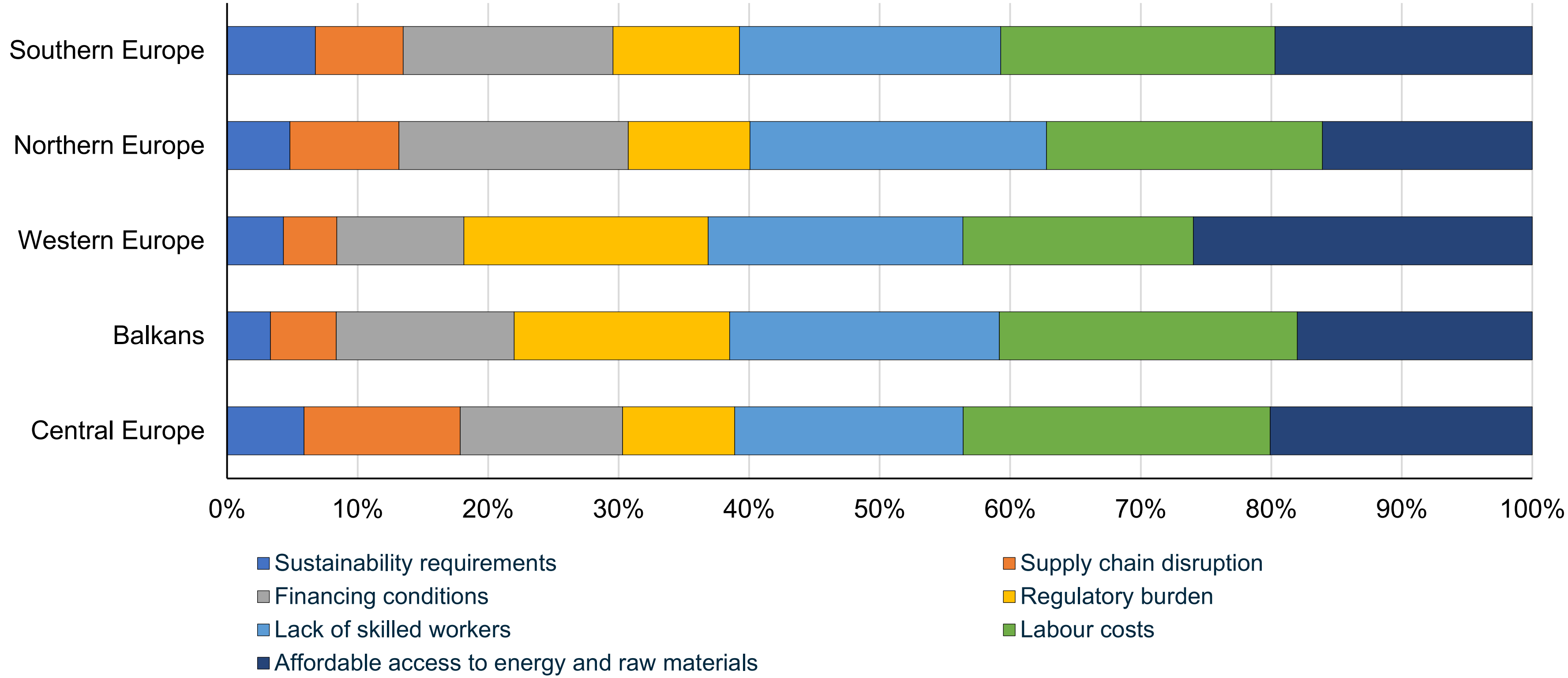


Labour costs



Note: Map of the two main challenges for companies in 2024 by country. The national mapping allows to visualize the countries with a higher degree of exposure (dark) to the expected challenge and the ones relatively less affected (light).

Figure 10. Challenges by region – EES2024



Note: Distribution of challenges by geographical region. The graph allows for the identification of regional trends with respect to the challenges identified in the EES2024 questionnaire.

Annex 4 – Methodology

EES2024 is the result of a collaborative effort involving Eurochambres and 27 national chambers of commerce and industry. As a preliminary step, a standardised questionnaire is elaborated by Eurochambres, and sent to the national coordinators representing chambers, who select a representative sample of enterprises within the national territory according to criteria such as the geographic location, company size and sector.

The answers are aggregated at the national level by each chamber and then sent to Eurochambres for processing. Eurochambres collates the percentages of responses per option for each question, that is the percentage of businesses answering "*Increase*", "*Decrease*" or "*Constant*".

The measure used to control for the country economic dimension is the Real GDP per capita, as provided by Eurostat. A parallel analysis, performed by considering the geographic position of the surveyed businesses, provides a closer look to common regional trends.

More on the Survey.

For Questions 1 to 5, Eurochambres collected the percentages of companies expecting an increase, decrease, or constant levels on five key economic factors. The percentages are then aggregated and converted into the EES Index, as explained in Box 1.

Question 6 aims to investigatee the challenges European businesses will face next year from a broad perspective and according to the latest economic developments and changes in structural economic variables. Companies were asked to provide a maximum of three answers in order to create a consistent rank of the challenges. The procedure followed in the analysis of the national results ensures that the final interpretation of the EES Indexes reflects Europe's business structure and dimension by outlying the percentage of times each factor or challenge was selected by respondents. Hence, the EES Index is used as a measure to take into account the economic dimension of the countries and the number of businesses taking part in the survey.

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