

European
Investment Bank

CESEE

Overview

EIB INVESTMENT SURVEY

2023

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CESEE

Overview

EIB Investment Survey Country Overview 2023: CESEE

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About the EIB Investment Survey (EIBIS)

The EIB Group Survey on Investment, which has been administered since 2016, is a unique, annual survey of some 13 000 firms. It covers firms in all European Union Member States and also includes a sample of firms in the United States.

The survey collects data on firm characteristics and performance, past investment activities and future plans, sources of finance, financing issues and other challenges that firms face, such as climate change and digital transformation. The EIBIS, which uses a stratified sampling methodology, is representative across all 27 EU Member States and the United States, as well as across four classes of firm size (micro to large) and four main economic sectors (manufacturing, construction, services and infrastructure). The survey is designed to build a panel of observations, supporting the analysis of time-series data. Observations can also be linked back to data on firm balance sheets and profit and loss statements. The EIBIS was developed by the EIB Economics Department. It is managed by the department with the support of Ipsos.

About this publication

These reports provide an overview of data collected for the 27 EU Member States and the United States. They are intended to provide a snapshot of the data. For the purpose of these publications, data are weighted by value-added to better reflect the contribution of different firms to economic output. Contact: eibis@eib.org.

Download the findings of the EIB Investment Survey for each EU country or explore the data portal at www.eib.org/eibis.

About the Economics Department of the EIB

The mission of the EIB Economics Department is to provide economic analyses and studies to support the Bank in its operations and in the definition of its positioning, strategy and policy. The department and its team of 40 economists is headed by Debora Revoltella, director of economics.

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Disclaimer

The views expressed in this publication are those of the authors and do not necessarily reflect the position of the EIB. To accommodate scheduling limitations, the content of this publication has not been subject to standard EIB copyediting or proofreading.

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Ipsos Public Affairs works closely with national governments, local public services and the not-for-profit sector, as well as international and supranational organisations. Its around 200 research staff in London and Brussels focus on public service and policy issues. Its research makes a difference for decision makers and communities.

For further information on the EIB's activities, please consult our website, www.eib.org. You can also contact our InfoDesk, info@eib.org.

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EIBIS 2023 – CESEE overview

KEY RESULTS

Investment dynamics and focus

Notwithstanding decelerating economic growth and tightening monetary policy, at the time of the interviews (April-July 2023) firms in CESEE remained relatively positive about their investment intentions for 2023. Asked about 2023 intentions, a larger share of firms expected to increase rather than decrease investment (11% net positive). This is in line with EIBIS 2022 and with the EU overall. Asked about their investments the year before, around eight in ten (78%) firms report having invested.

Investment needs and priorities

In the CESEE region, 18% of firms report having invested too little over the last three years, and this is highest among firms in Lithuania (27%), Romania (24%) and Latvia (23%). Almost eight in ten firms in CESEE (78%) believe they invested about the right amount over the last three years. This is similar to EIBIS 2022 (77%) but lower than the current EU average (82%).

Looking at investment priorities for the next three years, firms in CESEE are almost equally divided between those prioritizing replacement (33%) and capacity expansion (32%), ahead of investment in new products or services (26%). These investment priorities are similar to firms across the EU.

On balance, firms in the CESEE region remain pessimistic, about short-term drivers and constraints to investment, although expectations have improved since EIBIS 2022. A higher share of firms in CESEE expect the political and regulatory climate as well as the economic climate to deteriorate rather than improve over the next 12 months. There is a broadly even balance of positive and negative perceptions with regards to business prospects and the availability of internal and external finance. The figures for CESEE are consistent with the picture across the EU.

Energy market developments

The energy crisis hit firms in CESEE hard, and just as much as businesses throughout the EU as a whole. Energy prices were a major concern for 64%, while uncertainty about prices, availability and regulatory frameworks was a major concern for 46%. Firms in CESEE were also more likely to report an increase in energy spending of 25% or more, compared to the EU overall (77% versus 68%).

Firms in CESEE are equally likely as those across the EU (both 95%) to have adopted at least one of the strategies or priorities asked about to respond to the energy shock. The strategy most frequently mentioned was to seek energy savings and efficiencies (79%), in line with the EU average. Firms in CESEE were more likely than those in the EU generally to mention stopping or reducing the production of certain goods or services (30% versus 24%), but were less likely to report renegotiating their energy contract (62% versus 67%).

International trade

While the majority of firms in the CESEE region faced disruptions to international trade, only about half of them (52%) have changed their sourcing strategy or are planning to change it. This is consistent with the EU as a whole. Access to commodities or raw materials and difficulties with logistics and transport were the main obstacles encountered.

Firms in CESEE report that they were more likely than those in the EU as a whole to invest in digital inventory and inputs tracking or have plans to do so (27% versus 20%) and less likely to increase, or plan to increase, stocks and inventory (25% versus 31%). Importers in CESEE are also less likely to have reduced the share of goods or services imported from abroad or have plans to do so (9% versus 10%) but more likely to have diversified or increased the countries they import from or have plans to do so (32% versus 24%).

EIBIS 2023 – CESEE overview

Climate change and energy efficiency

Climate change is increasingly perceived as a reality by firms in CESEE. 59% say that weather events have impacted their business, up from EIBIS 2022 (51%), although still below the EU average (64%). Four in ten firms in CESEE (39%) have taken measures to build resilience against such risks, in line with the EU average. The most common measure taken by firms in CESEE was to buy insurance products to off-set climate-related losses (21%, higher than the EU average). Among firms in CESEE, the share that had taken at least one measure was highest in the Czech Republic (52%) and lowest in Hungary (20%).

The share of firms in CESEE seeing the transition to stricter climate standards and regulations as a risk is twice as high as the proportion seeing it as opportunity (38% and 18%, respectively), similar to EIBIS 2022. This differs from the EU overall, where 33% see it as a risk and 29% as an opportunity. Within CESEE, firms in Lithuania and Slovakia are the most likely to see the transition as a risk (47% and 46%, respectively), while those in Croatia and Estonia are most likely to see it as an opportunity (26% and 23% respectively). Around nine in ten (91%) CESEE firms are taking actions to reduce their greenhouse gas emissions, although only a minority (35%) sets and monitors relevant targets, lower than the EU average. The main actions taken by firms in CESEE are waste minimisation and recycling (74%), followed by investments in energy efficiency (60%).

Just over half (54%) of firms in CESEE have already invested in climate change related projects, and 56% plan to invest over the next three years. These figures are consistent with the EU as a whole.

Innovation activities

In 2022, 42% of firms in CESEE developed or introduced new products, processes or services as part of their investment activities. This is higher than EIBIS 2022 (35%) and in line with the current EU average (39%). Over one in ten firms in CESEE (12%) say the products, processes or services were new to either the country or global markets, consistent with EIBIS 2022 and the EU average (13%).

Around two-thirds (65%) of firms in CESEE have used one or more advanced digital technologies, slightly below the EU average (70%). The most commonly used digital technologies in CESEE are the Internet of Things (45%), robotics (45%) and digital platforms (37%).

Investment impediments

The most frequently mentioned long-term impediments to CESEE firms' investment are energy costs (86%), uncertainty about the future (86%) and the availability of skilled staff (79%). These are also the main barriers for firms across the EU.

Access to finance

Following monetary policy tightening and deteriorating external finance conditions, firms in CESEE are increasingly dissatisfied with the cost of finance. Since EIBIS 2022, the share of firms dissatisfied with the cost of external finance has increased from 7% to 15%, a pattern also seen in the EU as a whole.

The proportion of firms in CESEE that are finance constrained (9.1%) has remained similar to EIBIS 2022 but remains higher than the EU average (6.1%). SMEs are particularly affected, with the share of finance constrained SMEs at 12.8%. Within CESEE, Romania (17.6%) and Latvia (15.0%) report the largest shares of financially constrained firms; the Czech Republic reports the lowest (3.4%).

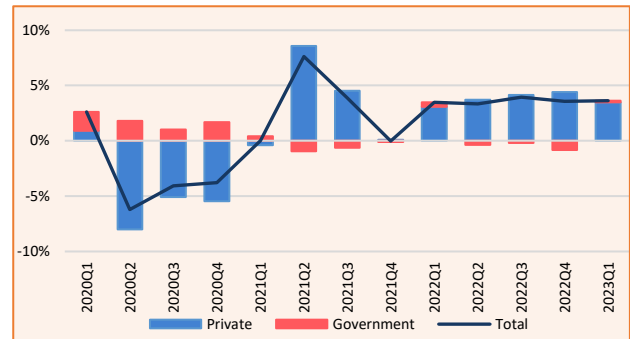
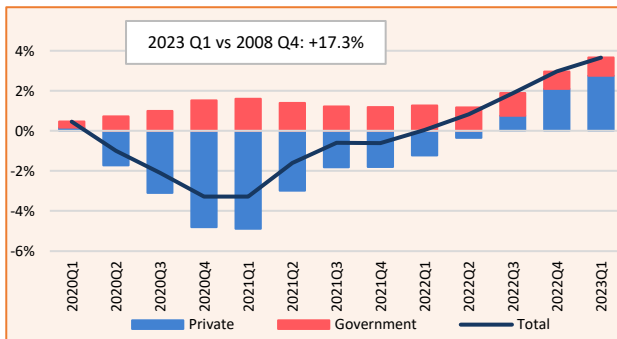
Note on how to read the results:

EIBIS 2023 overview presents the results of the survey run in 2023. Questions in the survey might point to "last financial year" (2022) or expectations for the current year (2023). The text and the footnote referring to the question will specify in each case which year is considered.

Investment dynamics

INVESTMENT DYNAMICS BY INSTITUTIONAL SECTOR

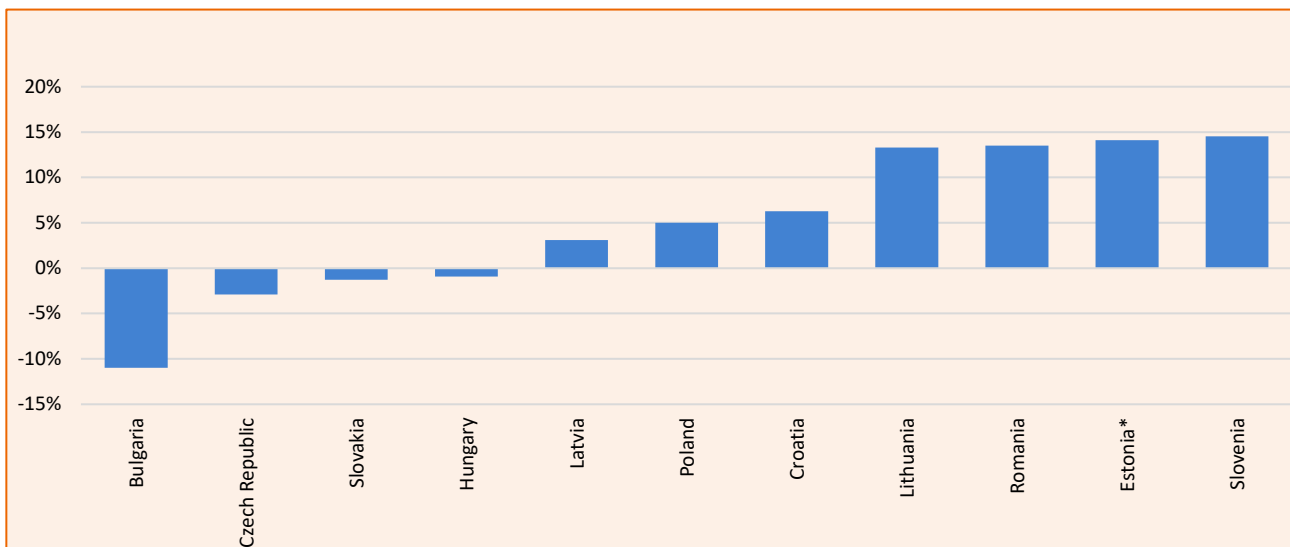
- During the pandemic, private investment in the CESEE region slumped while public investment continued to grow. Private investment recovered quickly, such that total investment reached its pre-pandemic level in early 2021 in real terms. By 2023Q1, total investment was 3.7% higher (measured as a four-quarter moving average) than before the pandemic.
- The dynamics of real investment differ substantially across countries. Investment continued on its very weak trend in Bulgaria, ending more than 10% lower in 2023Q1 (measured as a four-quarter moving average) than before the pandemic. It was strongest in the Baltic countries, Romania, and Slovenia.



The graph on the left shows the evolution of total gross fixed capital formation (in real terms, non seasonally nor calendar adjusted), by institutional sector. The nominal GFCF source data are transformed into four-quarter sums, deflated using the implicit deflator for total GFCF (2015 = 100 euros). The four-quarter sum of total GFCF in the fourth quarter of 2019 is normalised to 0. Source: Eurostat, authors' own calculations.

The graph on the right shows the year-on-year growth of total gross fixed capital formation (in real terms), by institutional sector. The data are deflated using the implicit deflator for total GFCF. Source: Eurostat, authors' own calculations.

INVESTMENT DYNAMICS BY COUNTRY



Total real GFCF growth (%) in Q1 2023 relative to Q4 2019. The nominal GFCF source data for all EU countries is non seasonally and non calendar adjusted, thus having been transformed into four-quarter sums and deflated using the implicit deflator for total GFCF (2015 = 100 euros), for all EU countries - with the exception of Ireland where real GFCF data (chain linked annually, 2021=100) was used. Real GFCF data for the US is seasonally and calendar adjusted. The four-quarter sum of total real GFCF in 2019 Q4 is normalized to 0.

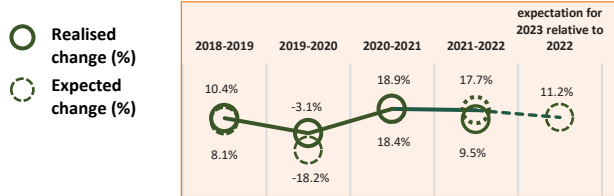
*: for Estonia it refers to % change in 2022 Q4 relative to 2019 Q4.

Source: Eurostat for all EU countries (with the exception of Romania) and Romanian Statistical Office for Romania's data, authors' own calculations.

Investment dynamics and focus

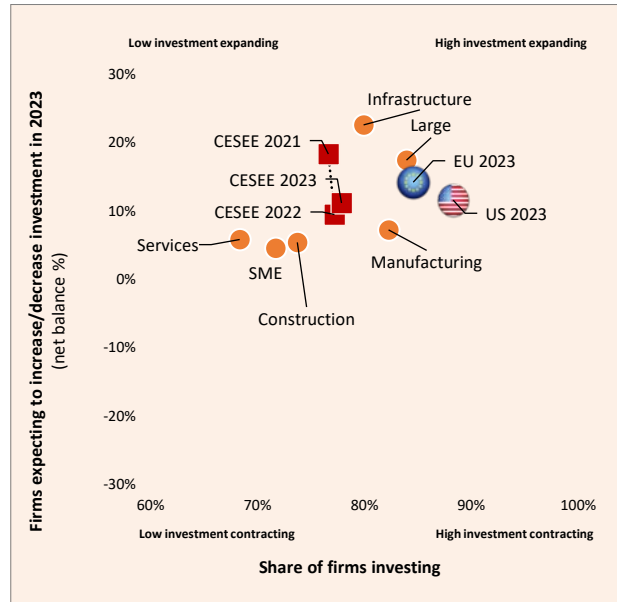
INVESTMENT CYCLE AND EVOLUTION OF INVESTMENT EXPECTATIONS

- Firms operating in CESEE countries are on balance quite optimistic regarding investment for 2023. A larger share of firms expect to increase than to decrease investment (net balance of 11%). This is in line with the EU average (net balance of 14%) and similar to EIBIS 2022.
- 78% of firms in CESEE report that they invested in 2022, fewer than in the EU (85%).
- Large firms in CESEE are more likely than small and medium companies (SMEs) to have invested in 2022 (84% versus 72%) and to expect to increase rather than decrease investment in 2023 (net positive balance of 17% versus 5%).
- Infrastructure firms are the most likely to increase rather than decrease their investment (net positive balance of 23%).
- Within CESEE, the share of investing firms ranges from 70% in both Bulgaria and Romania to 93% in Slovenia.



“Realised change” is the share of firms that invested more minus those that invested less. “Expected change” is the share of firms that expect(ed) to invest more minus those that expect(ed) to invest less.

Base for expected and realised change: All firms

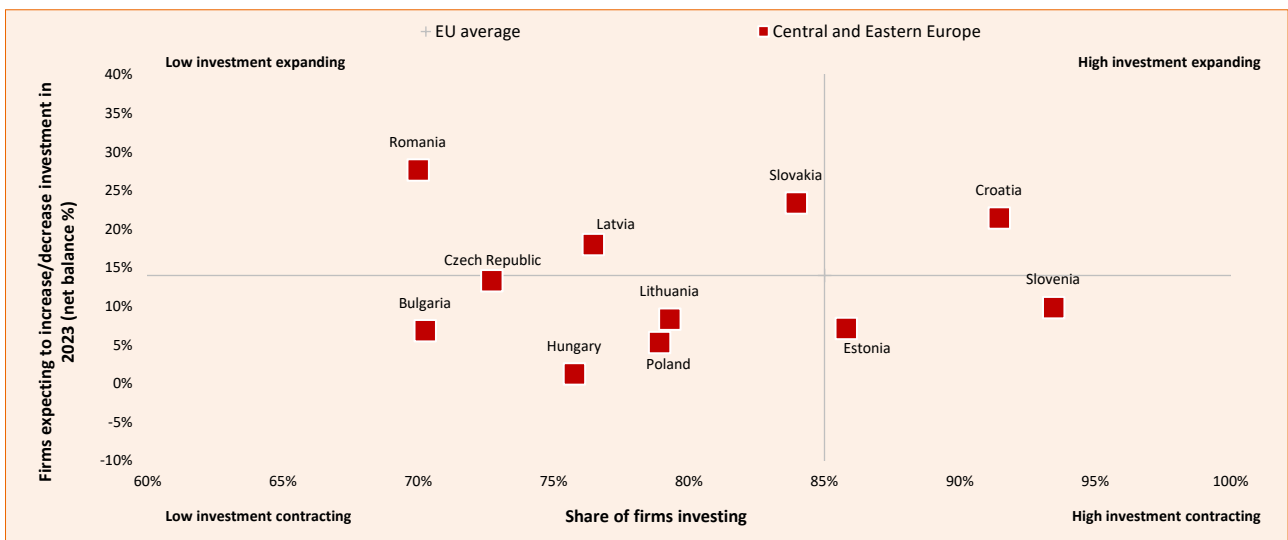


Share of firms investing shows the percentage of firms with investment per employee greater than €500.

Base for share of firms investing: All firms (excluding don't know/refused responses)

Base for expected and realised change: All firms

INVESTMENT CYCLE AND EVOLUTION OF INVESTMENT EXPECTATIONS BY COUNTRY



Share of firms investing shows the percentage of firms with investment per employee greater than EUR 500.

The y-axis line crosses the x-axis on the EU average for EIBIS 2023.

Base for share of firms investing: All firms (excluding don't know/refused responses)

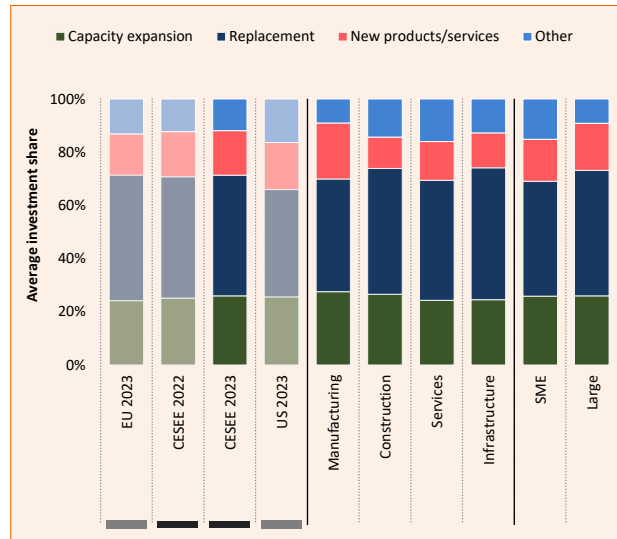
Base for expected change: All firms

The grey lines indicate the EU average for EIBIS 2023.

Investment dynamics and focus

PURPOSE OF INVESTMENT IN LAST FINANCIAL YEAR (% of firms' investment)

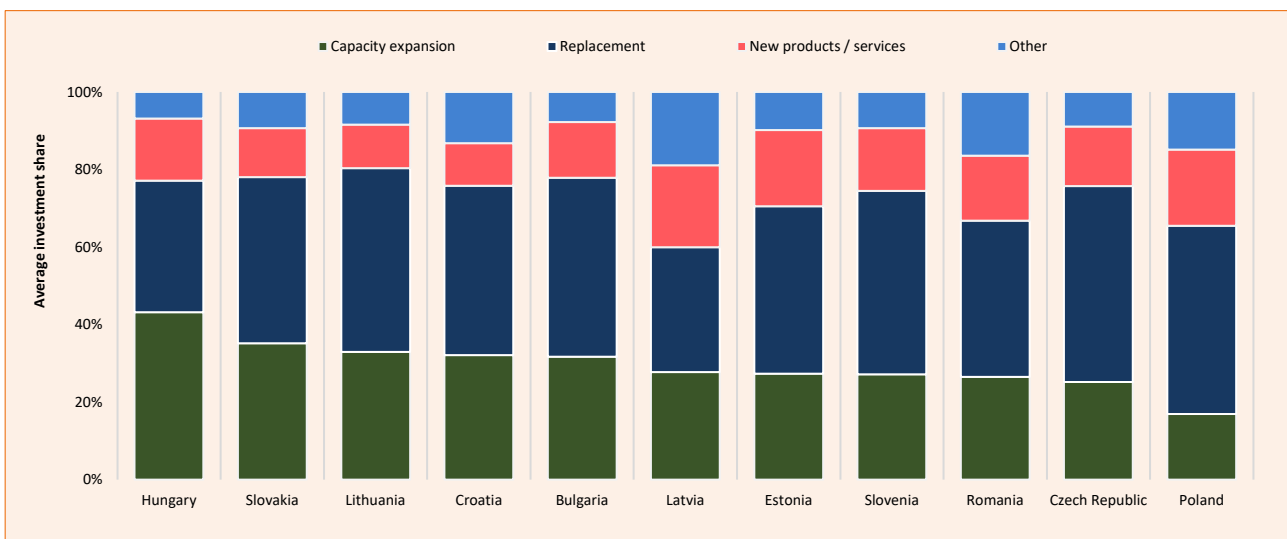
- On average, firms in the CESEE region spent 45% of their investment on replacement in 2022, almost the same as that reported for 2021 in EIBIS 2022 (46%) and in line with the current EU average (47%).
- Investment in capacity expansion accounted for around a quarter of total investment (26%). This is also in line with EIBIS 2022 (25%) and the current EU average (24%).
- Investment in new products and services accounted for a lower share of the total expenditure (17%), although this is higher in the manufacturing sector (21%).
- In the CESEE region, investment in replacement was highest in the Czech Republic (51%) and Poland (49%). Investment in capacity expansion was highest in Hungary (43%), while investment in new products and services accounted for the highest share of the total expenditure in Latvia (21%), Estonia (20%) and Poland (20%).



Q. What proportion of total investment in the last financial year was for (a) developing or introducing new products, processes, services; (b) replacing capacity (including existing buildings, machinery, equipment and IT); (c) expanding capacity for existing products/services?

Base: All firms that have invested in the last financial year (excluding don't know/ refused responses)

PURPOSE OF INVESTMENT IN LAST FINANCIAL YEAR BY COUNTRY (% of firms' investment)



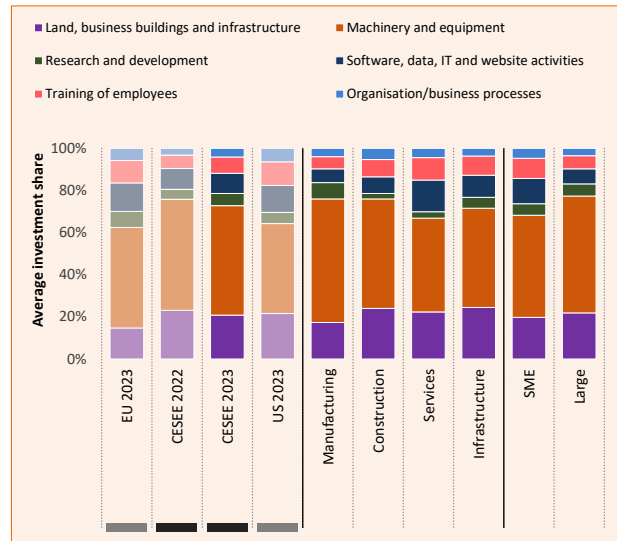
Q. What proportion of total investment was for (a) replacing capacity (including existing buildings, machinery, equipment, IT) (b) expanding capacity for existing products/services (c) developing or introducing new products, processes, services?

Base: All firms that have invested in the last financial year (excluding don't know/ refused responses)

Investment dynamics and focus

INVESTMENT AREAS

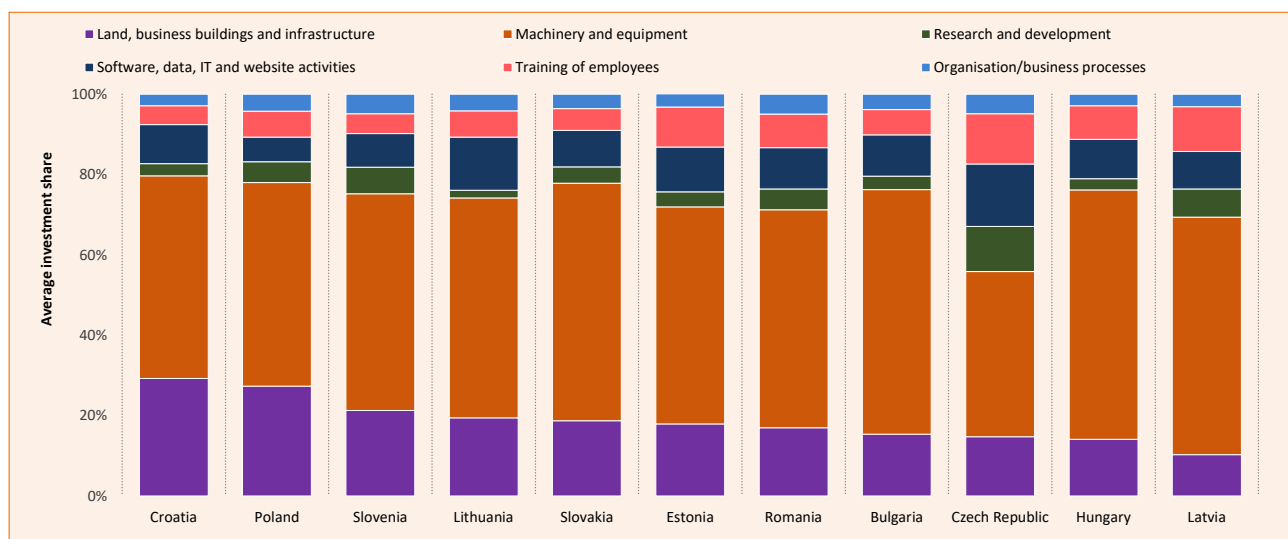
- On average, investment in intangible assets (such as in research and development, software, training or business processes) by firms in the CESEE region accounted for 27% of total investment. This figure is in line with EIBIS 2022, but lower than the current EU average (38%).
- Investment activities varied depending on the sector and size of the business. SMEs and firms in the services sector invested a higher share in intangible assets and a lower share in tangible assets (such as land, business buildings, infrastructure and machinery).
- Among CESEE firms, those in Croatia (20%), Poland (22%) and Slovakia (22%) had the lowest average share of investment in intangible assets, while the Czech Republic (44%) and Latvia (31%) had the highest.



Q. In the last financial year, how much did your business invest in each of the following with the intention of maintaining or increasing your company's future earnings?

Base: All firms that have invested in the last financial year (excluding don't know/ refused responses)

INVESTMENT AREAS BY COUNTRY



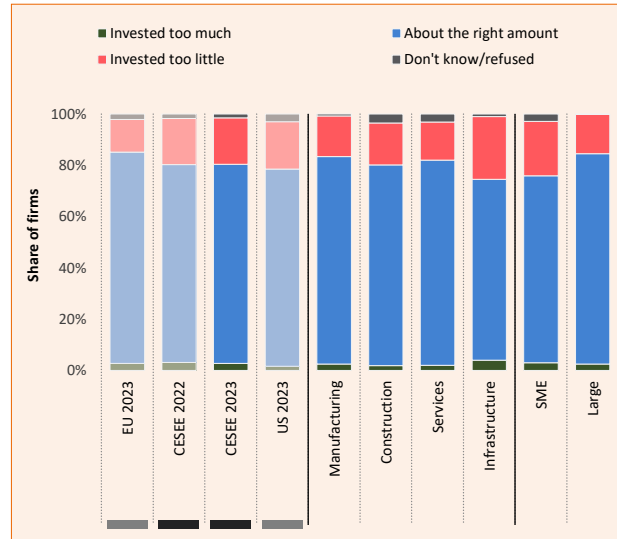
Q. In the last financial year, how much did your business invest in each of the following with the intention of maintaining or increasing your company's future earnings?

Base: All firms that have invested in the last financial year (excluding don't know/ refused responses)

Investment needs and priorities

PERCEIVED INVESTMENT GAP

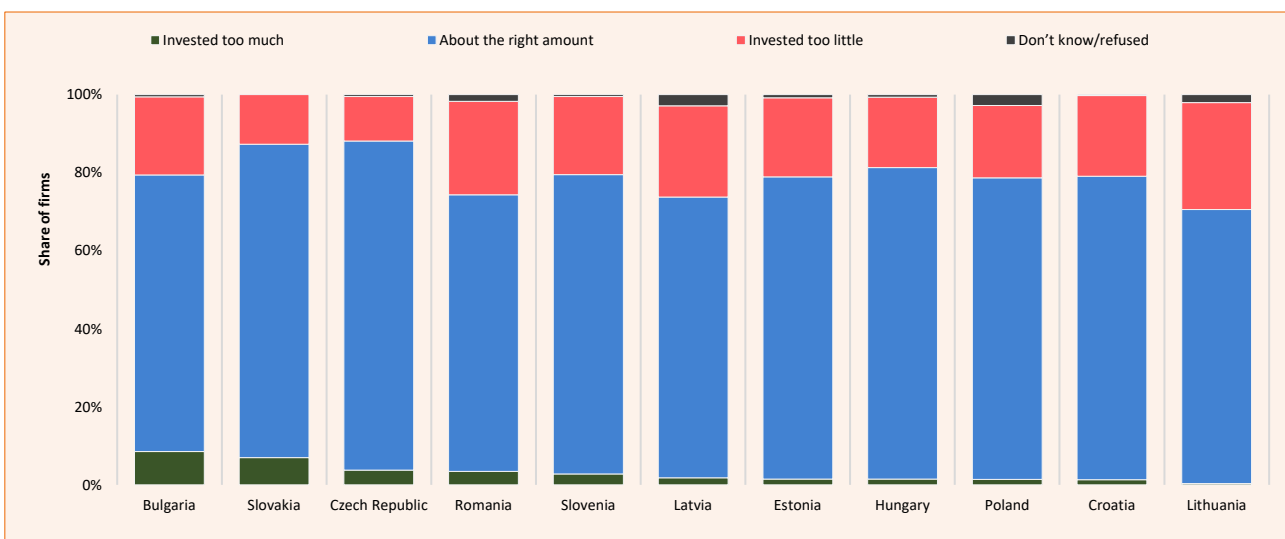
- Firms do not perceive major gaps in terms of investment. Almost eight in ten firms in the CESEE region (78%) believe that their investment activities over the last three years were about the right amount. This share is similar to EIBIS 2022 (77%), but lower than the current EU average (82%).
- As in EIBIS 2022, 18% of firms in CESEE report having invested too little over the last three years, which is above the EU average (13%). Only 3% of firms in CESEE report having invested too much, identical to EIBIS 2022 and the current EU average.
- In CESEE, infrastructure firms (24%) and SMEs (21%) are the most likely to say they have invested too little over the last three years.
- Firms in Lithuania (27%), Romania (24%) and Latvia (23%) are the most likely to think they invested too little over the last three years, while firms in Bulgaria (9%) and Slovakia (7%) are the most likely to say they invested too much. Firms in the Czech Republic (84%) are the most likely to think they invested about the right amount.



Q. Looking back at your investment over the last three years, was it too much, too little, or about the right amount?

Base: All firms (excluding "Company didn't exist three years ago" responses)

PERCEIVED INVESTMENT GAP BY COUNTRY



Q. Looking back at your investment over the last three years, was it too much, too little, or about the right amount?

Base: All firms (excluding "Company didn't exist three years ago" responses)

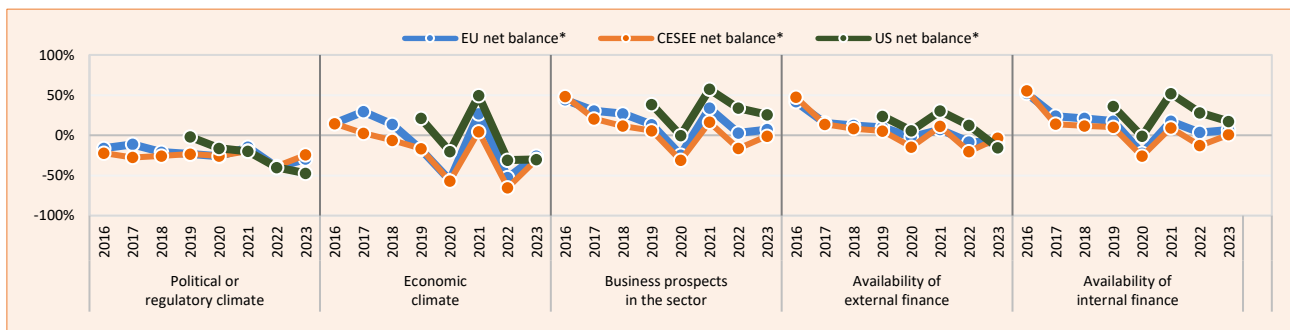
Investment needs and priorities

SHORT-TERM DRIVERS AND CONSTRAINTS

- On balance, firms in the CESEE region remain generally pessimistic about the investment conditions for the next year, although expectations have improved since EIBIS 2022.
- Expectations for the economic climate have improved but remain, on balance, negative (rising from -65% to -30%). Perceptions of the political or regulatory climate have also remained negative on balance (-24% versus -38% in EIBIS 2022).
- The outlook for business prospects in the sector of the

firm's operations has also improved on balance since EIBIS 2022 (-1% versus -16%) and remains less pessimistic than the assessment of the overall economic climate.

- Firms have also become less pessimistic, on balance, about the availability of finance. For the expected availability of external finance, the net balance rose from -20% in EIBIS 2022 to -4%, and for internal finance from -13% to +1%.
- These developments in the CESEE region are similar to the EU as a whole.

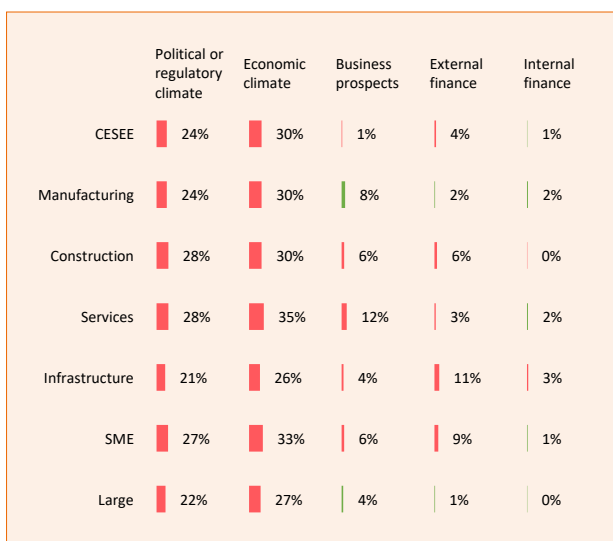


Q. Do you think that each of the following will improve, stay the same, or get worse over the next 12 months?

* Net balance is the share of firms seeing improvement minus the share of firms seeing a deterioration.

Base: All firms

SHORT-TERM DRIVERS AND CONSTRAINTS BY SECTOR AND SIZE (net balance %)



- In the CESEE region, firms' expectations of short-term drivers and constraints are, in net balance terms, fairly similar across sectors and firm size.
- On balance, manufacturing firms are somewhat more optimistic regarding the evolution of their business prospects (+8%) and external finance (+2%). Service sector firms tend to be more pessimistic than manufacturing firms regarding their business prospects (net balance of -12%) and infrastructure firms somewhat more pessimistic than manufacturing firms regarding the availability of external finance (net balance of -11%).

Please note: green figures represent a positive net balance, while red figures represent a negative net balance.

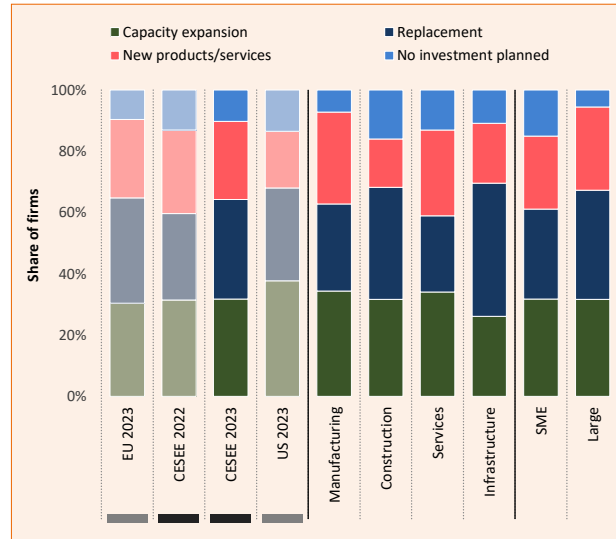
Q. Do you think that each of the following will improve, stay the same, or get worse over the next 12 months?

Base: All firms

Investment needs and priorities

FUTURE INVESTMENT PRIORITIES

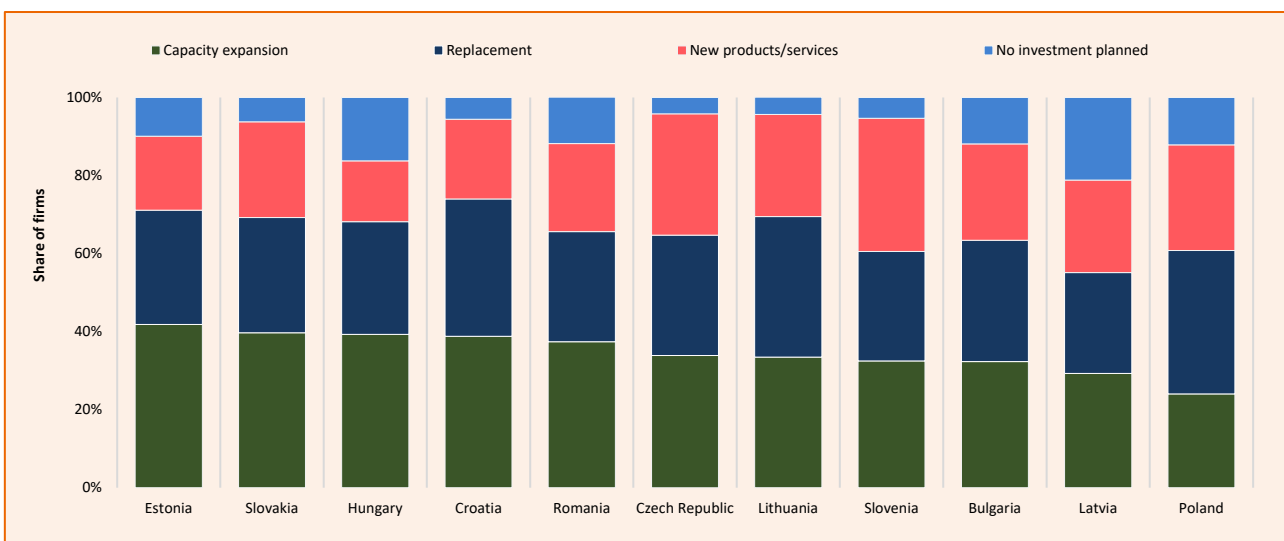
- Investment in replacement is the priority most often mentioned for the next three years by firms in the CESEE region (33%), and this is higher than in EIBIS 2022 (28%). The share of firms in CESEE prioritising capacity expansion and investment in new products or services has remained stable (32% and 26%, respectively).
- The share of firms with no investment planned for the next three years represents 10% of firms – lower than the figure reported in EIBIS 2022 (13%).
- The pattern of investment priorities in the CESEE region is very similar to the EU average.
- In CESEE, firms in the manufacturing and services sectors are the most likely to prioritise the development or introduction of new products, processes and services (30% and 28%, respectively). Construction firms are the most likely to have no investment planned (16%).
- Investment priorities vary across CESEE countries. Firms in Slovenia and the Czech Republic are the most likely to prioritise the development or introduction of new products, processes and services (34% and 31%, respectively). Latvia (21%) and Hungary (16%) have the largest share of firms with no investment planned in the next three years.



Q. Looking ahead to the next three years, which is your investment priority (a) replacing capacity (including existing buildings, machinery, equipment, IT); (b) expanding capacity for existing products/services; (c) developing or introducing new products, processes or services?

Base: All firms (excluding don't know/refused responses)

FUTURE INVESTMENT PRIORITIES BY COUNTRY



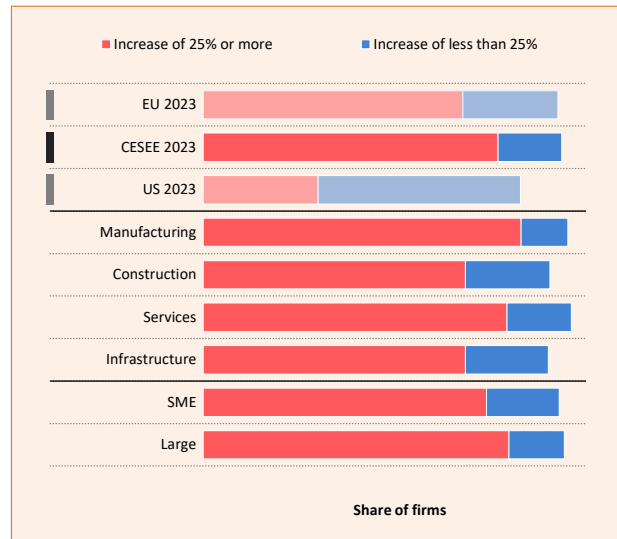
Q. Looking ahead to the next three years, which is your investment priority (a) replacing capacity (including existing buildings, machinery, equipment, IT); (b) expanding capacity for existing products/services; (c) developing or introducing new products, processes or services?

Base: All firms (excluding don't know/refused responses)

Energy market developments

INCREASED SPENDING ON ENERGY

- Compared to the EU average and US, firms in the CESEE region more frequently report a very sharp increase in energy spending. The share of firms in CESEE who report an increase of 25% or more exceeds the EU average (77% versus 68%) and, by an even greater extent, the average of firms in the US (30%). Only 6% of CESEE firms report that their energy spending did not increase, a far lower share than in the US (17%).
- Firms in the manufacturing and services sectors were the most likely to have faced an increase of 25% or more in energy spending (83% and 79%, respectively).
- Large firms were more likely than SMEs to report an increase of 25% or more (80% versus 74%).
- Among CESEE firms, those in Estonia were the least likely to have faced higher energy costs (82%). Firms in Hungary were the most likely to report an increase of 25% or more in energy spending (86%), while firms in Lithuania were the least likely to do so (62%).

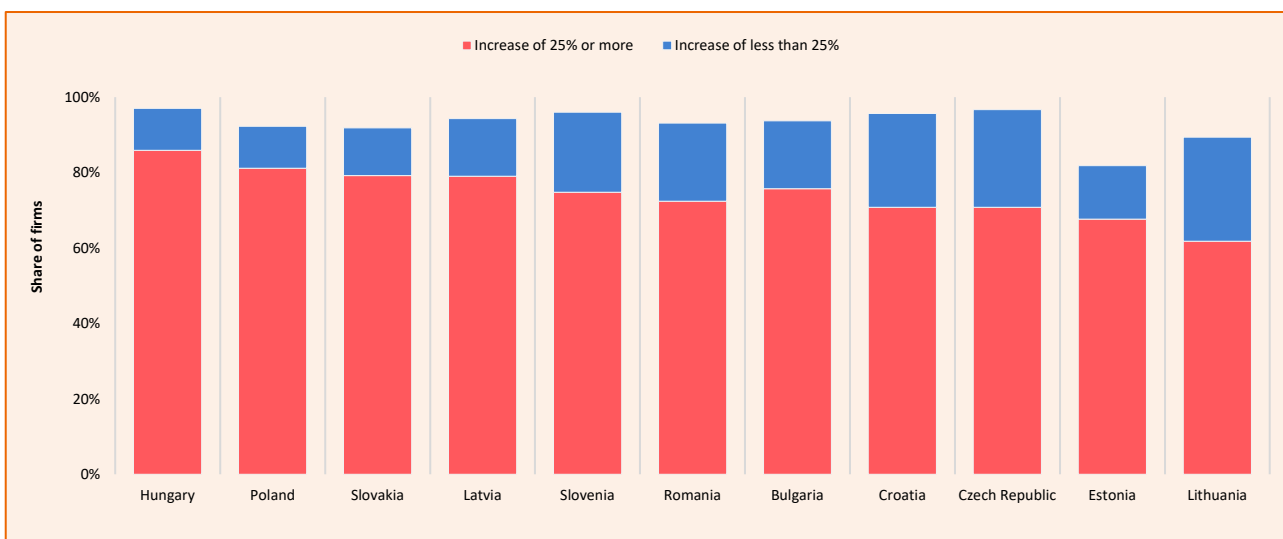


Q. Since the beginning of 2022, by how much has your company's spending on energy (including gas, electricity, oil) changed on average?

Please note: Responses of 'spending on energy stayed about the same' and 'spending on energy decreased' not shown on chart.

Base: All firms (excluding don't know/refused responses)

INCREASED SPENDING ON ENERGY BY COUNTRY



Q. Since the beginning of 2022, by how much has your company's spending on energy (including gas, electricity, oil) changed on average?

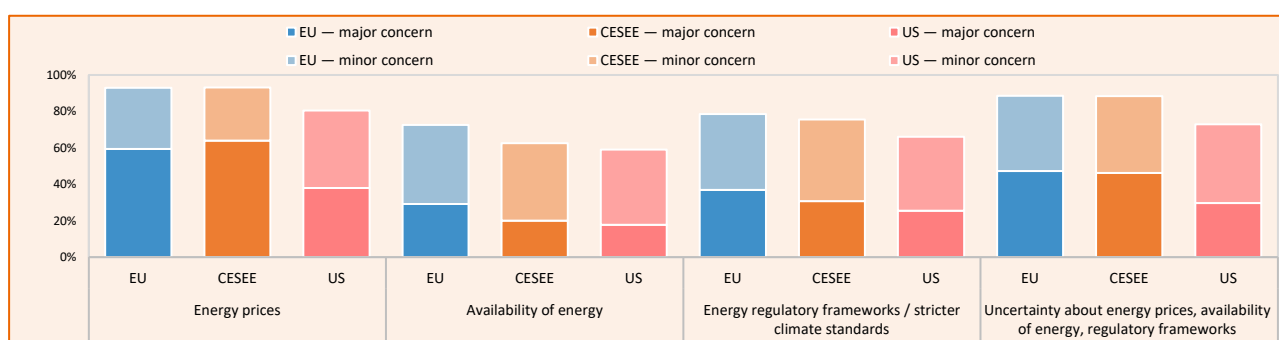
Please note: Responses of spending on energy stayed about the same and spending on energy decreased not shown on chart.

Base: All firms (excluding don't know/refused responses)

Energy market developments

IMPACT OF ENERGY SHOCK

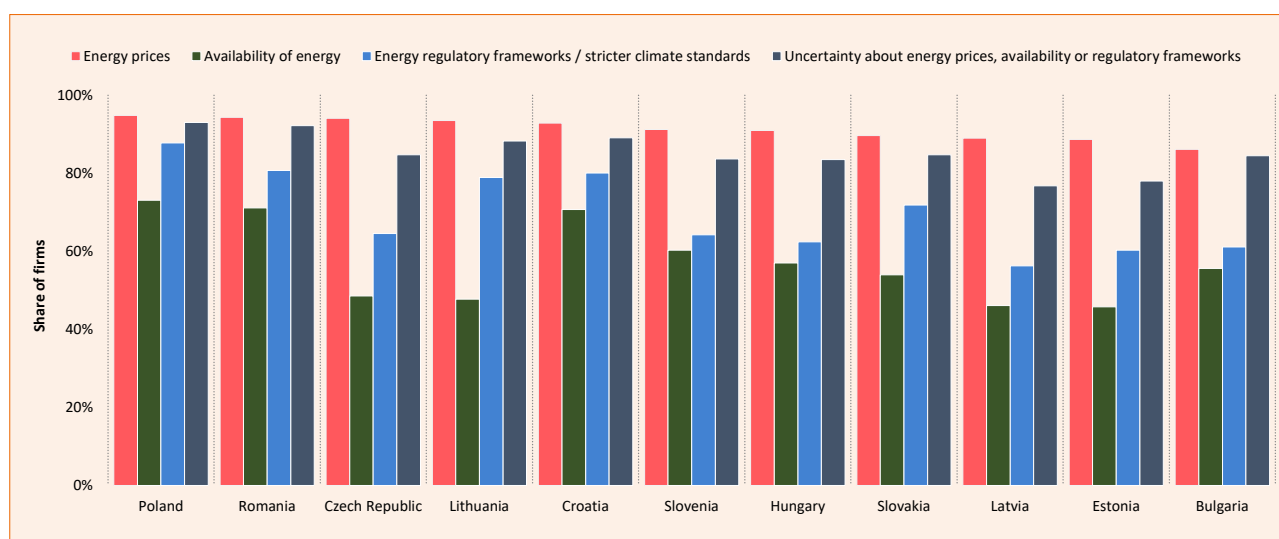
- When asked about the energy shock, concerns about energy prices and general uncertainty dominate. Most firms in CESEE report that their major concerns were the level of energy prices (64%) and uncertainty about future energy prices, the availability of energy, and regulatory frameworks (46%). The share of firms concerned about the level of energy prices was higher than that reported for the EU overall (59%) and far higher than the US average (38%).
- In some CESEE countries, firms expressed a high level of concern about regulatory frameworks for energy and stricter climate standards. These countries are Poland (with 88% of firms reporting minor or major concerns), Romania (81%), Croatia (80%), and Lithuania (79%).
- Concerns about the availability of energy were most widespread in Poland (with 73% of firms reporting minor or major concerns), Croatia, and Romania (71% each).



Q. Thinking about the energy shock, to what extent is your company concerned about ...?

Base: All firms (data not shown for those that said not an obstacle at all/don't know/refused)

IMPACT OF ENERGY SHOCK BY COUNTRY (minor + major concern)



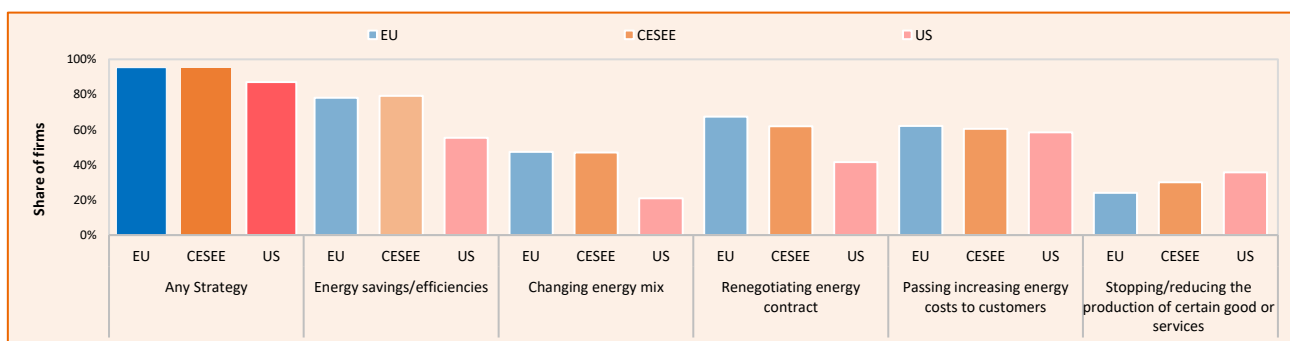
Q. Thinking about the energy shock, to what extent is your company concerned about ...?

Base: All firms (data not shown for those that said not an obstacle at all/don't know/refused)

Energy market developments

STRATEGIES TO DEAL WITH THE ENERGY SHOCK

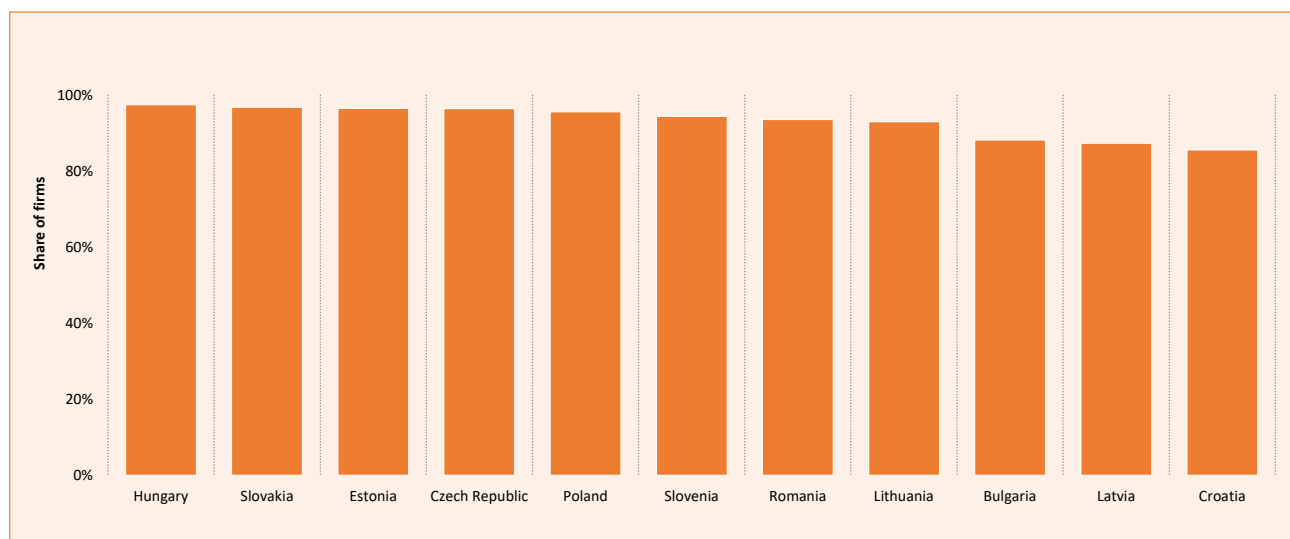
- Just as in the EU as a whole (95%), almost all firms in the CESEE region (also 95%) report having at least one of the strategies or priorities asked about to deal with the energy shock.
- In line with the EU average (78%), the most frequently adopted strategy or priority in the CESEE region was to seek energy savings and efficiencies (79%).
- Firms in CESEE were more likely to aim to stop or reduce the production of certain goods or services (30% versus the EU average of 24%) and less likely to mention the renegotiation of their energy contract as a strategy or priority (62% versus 67%).
- While in most CESEE countries at least 93% of firms adopted one or more of the strategies the survey proposed, it was lower in Croatia (86%), Latvia (87%) and Bulgaria (88%).



Q. Which, if any of the following, are your priorities/strategies to deal with the recent developments in the energy market?

Base: All firms (excluding don't know/refused responses)

STRATEGIES TO DEAL WITH THE ENERGY SHOCK BY COUNTRY (any strategy)



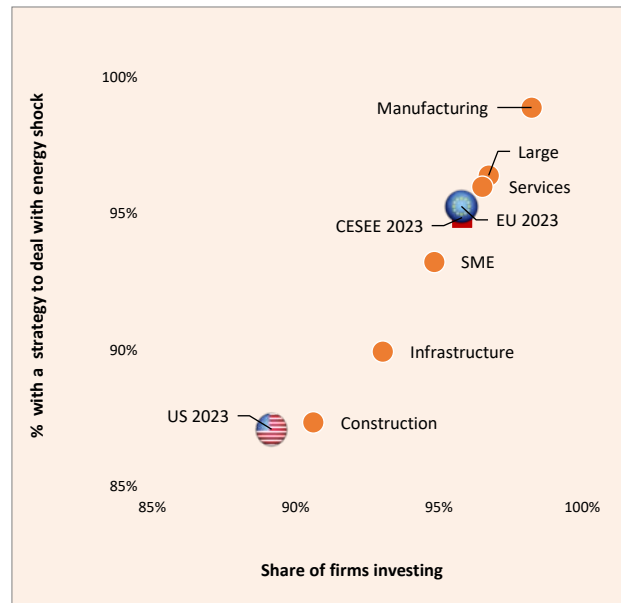
Q. Which, if any of the following, are your priorities/strategies to deal with the recent developments in the energy market?

Base: All firms (excluding don't know/refused responses)

Energy market developments

IMPACT AND STRATEGIES TO DEAL WITH THE ENERGY SHOCK

- Almost all firms in CESEE are concerned about the energy shock (96%) and have strategies to deal with it (95%). These figures are almost identical to the EU average.
- In CESEE, firms in all sectors were similarly concerned, ranging from a share of 91% in the construction sector to 98% in manufacturing.
- In the CESEE region, firms in the Czech Republic and Poland have a high share of firms that are concerned about the energy shock, as well as having a high share of firms with strategies in place.



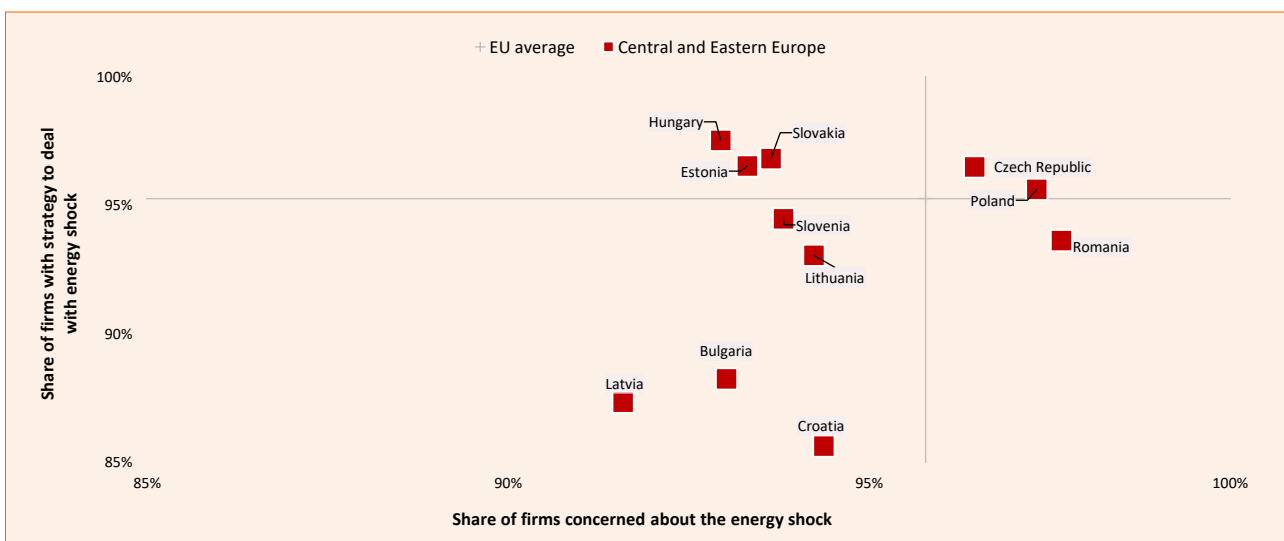
Q. Which, if any, of the following, are your priorities/ strategies to deal with the recent developments in the energy market?

Q. Thinking about the energy shock, to what extent is your company concerned about ...

Base: All firms for 'share of firms concerned about the energy shock'

Base: All firms (excluding don't know/refused responses) for 'share of firms with a strategy to deal with the energy shock'

IMPACT AND STRATEGIES TO DEAL WITH THE ENERGY SHOCK BY COUNTRY



Q. Which, if any, of the following, are your priorities/ strategies to deal with the recent developments in the energy market?

Q. Thinking about the energy shock, to what extent is your company concerned about ...

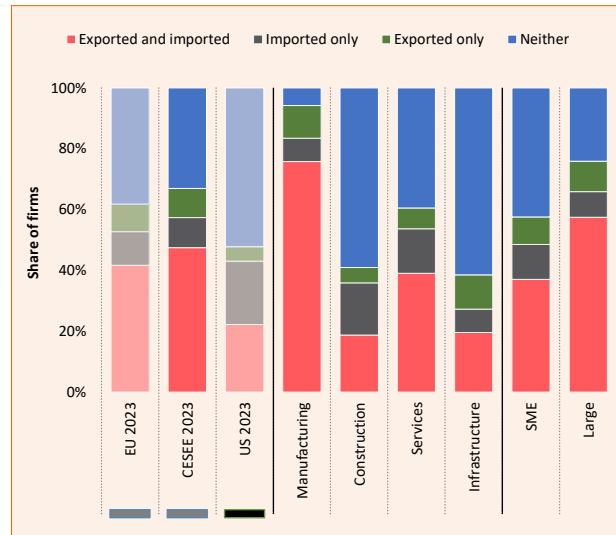
Base: All firms (excluding don't know/refused responses). The grey lines indicate the EU average for EIBIS 2023.

The y-axis line crosses the x-axis on the EU average for EIBIS 2023.

International trade

ENGAGEMENT IN INTERNATIONAL TRADE

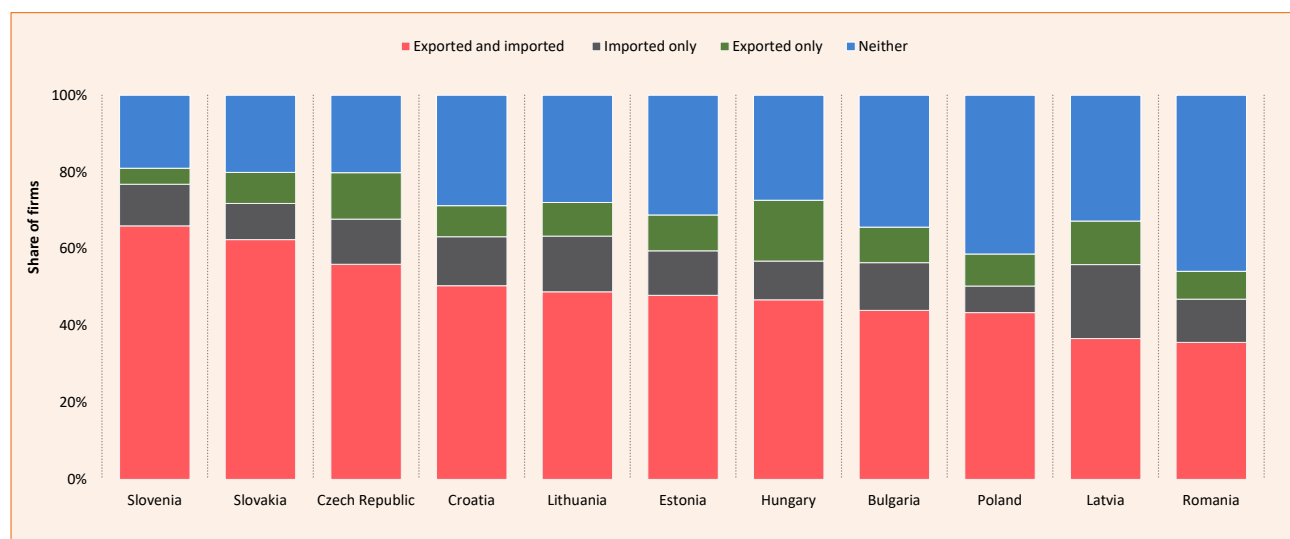
- Overall, 67% of firms in CESEE report that they exported and/or imported goods or services in 2022, higher than the EU average (62%).
- While the majority of firms in manufacturing (94%) and service sectors (61%) report that they are engaged in international trade, this accounts for less than half of firms in the construction or infrastructure sectors (41% and 39%, respectively). Three-quarters of manufacturers (76%) are both exporters and importers of goods and/or services.
- Large firms are more likely than SMEs to be engaged in international trade (76% versus 58%).
- In the CESEE region, Slovenia, Slovakia and the Czech Republic have the highest share of exporting firms, while Romania and Poland have the lowest.



Q. In 2022, did your company export or import goods and/or services?

Base: All firms (excluding don't know/refused responses)

ENGAGEMENT IN INTERNATIONAL TRADE BY COUNTRY



Q. In 2022, did your company export or import goods and/or services?

Base: All firms (excluding don't know/refused responses)

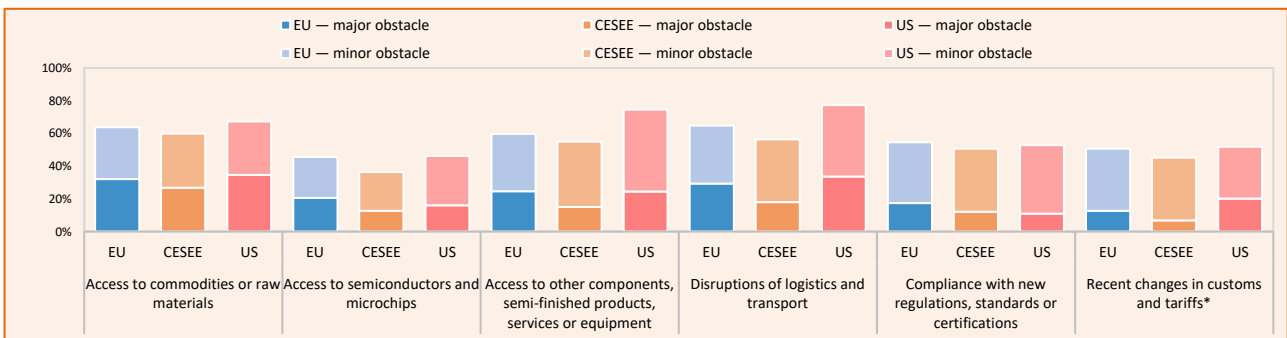
International trade

DISRUPTIONS RELATED TO INTERNATIONAL TRADE

- Firms in the CESEE region report that disruptions to their access to commodities or raw materials was the main trade-related obstacle to their business activity (27% consider this a major obstacle), followed by disruptions of logistics and transport (18%).
- Compared to the EU average, firms in the CESEE region are less likely to report that trade-related issues hindered their business activities. For example, 15% (versus the EU average of 25%) perceived access to other components, semi-finished products, services or equipment as a major obstacle, while 18% (versus the EU average of 29%)

reported that disruption to logistics and transport was a major obstacle.

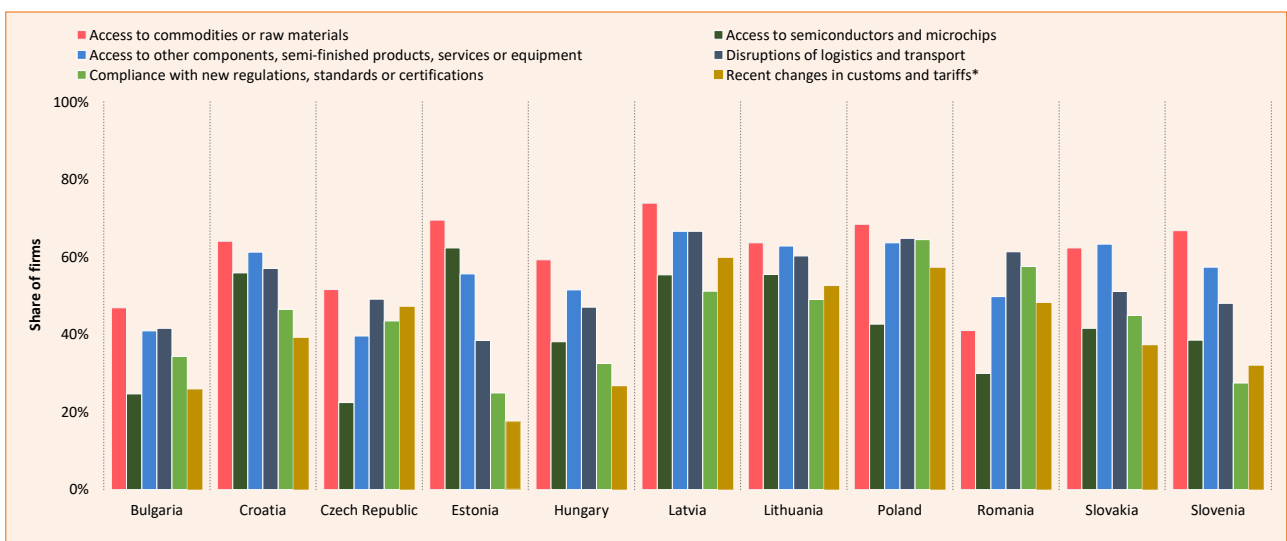
- In most countries in the CESEE region, access to commodities or raw materials is mentioned most frequently as an obstacle to their business's activities. The exceptions are Romania, where disruptions of logistics and transport is most commonly seen as a barrier, and Slovakia, where access to other components, semi-finished products, services or equipment is the issue most likely to be perceived as a barrier.



Q. Since the beginning of 2022, were any of the following an obstacle to your business's activities?

Base: All firms (excluding don't know/refused/not applicable responses)
*Base: All importers and exporters (excluding don't know/refused/not applicable responses)

DISRUPTIONS RELATED TO INTERNATIONAL TRADE BY COUNTRY (any obstacle)



Q. Since the beginning of 2022, were any of the following an obstacle to your business's activities?

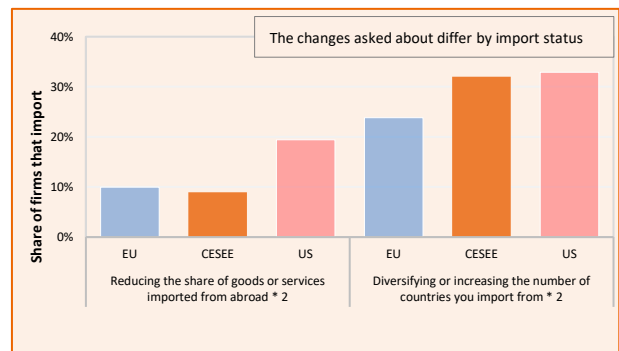
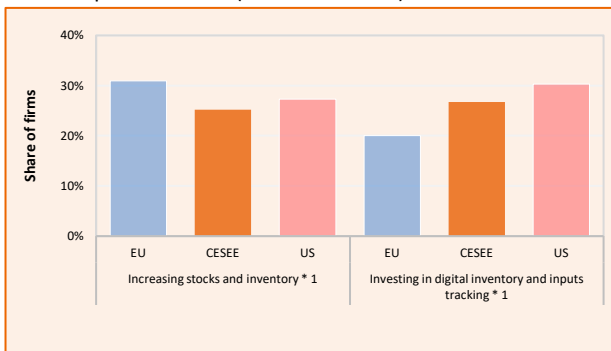
Base: All firms (excluding don't know/refused/not applicable responses)
*Base: All importers and exporters (excluding don't know/refused/not applicable responses)

International trade

SOURCING STRATEGY

- Asked about actual or planned changes to their sourcing strategy, more firms in CESEE report that they were investing in digital inventory and inputs tracking than in the EU as a whole (27% versus 20%). By contrast, CESEE firms seem slightly less likely to increase stocks and inventory (25% versus 31%).
- Importers in CESEE countries are as likely as those in the EU as a whole to have reduced or planned to reduce the share of goods or services imported from abroad (9% versus 10%) but more likely to have diversified or increased the number of countries they import from or have plans to do so (32% versus 24%).

- Within the CESEE region, firms in Lithuania (43%) and the Czech Republic (32%) are the most likely to have increased or be planning to increase stocks and inventory, while Romania (46%) has the highest share of firms investing in digital inventory and inputs tracking.
- Romania has the highest share of importers reducing or planning to reduce the share of goods or services imported from abroad (20%). Importers in Romania (42%) and the Czech Republic (37%) were most frequently diversifying or increasing the number of countries they currently or plan to import from.

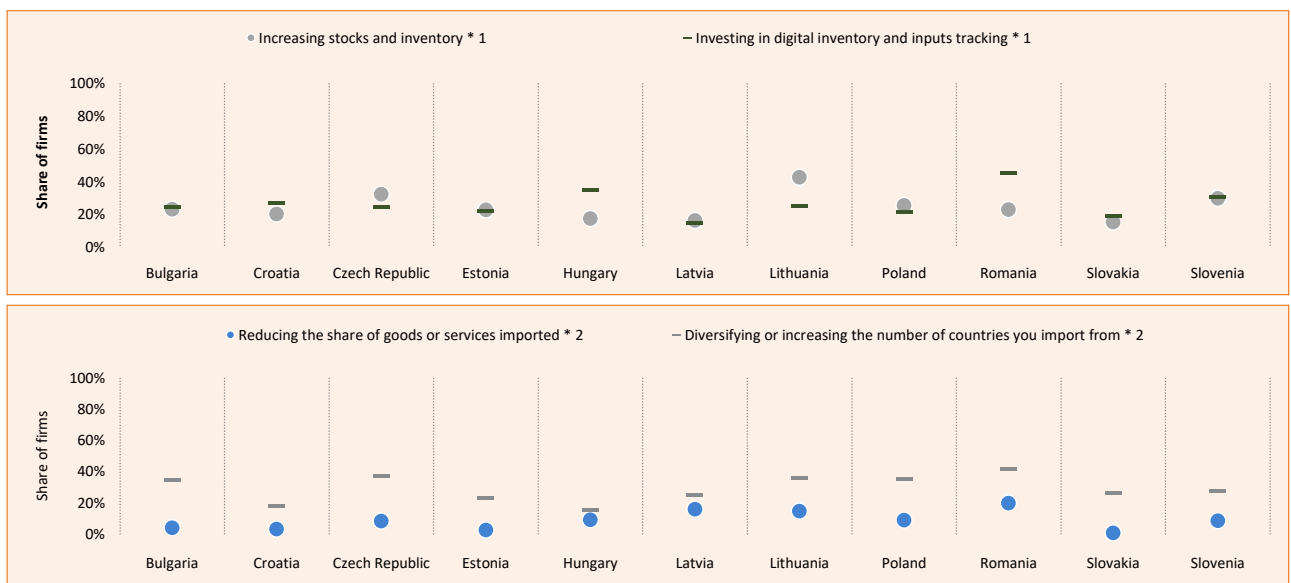


Q. Since the beginning of 2022, has your company made or are you planning to make any of the following changes to your sourcing strategy?

* 1 = Asked to all, 2 = Asked to all importers

Base: All firms (excluding don't know/refused responses)
Base: All firms that import (excluding don't know/refused responses)

SOURCING STRATEGY BY COUNTRY



* 1 = Asked to all, 2 = Asked to all importers

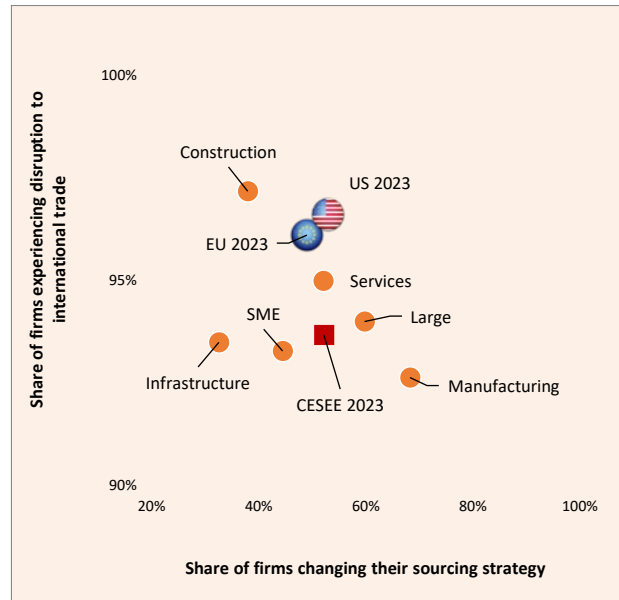
Q. Since the beginning of 2022, has your company made or are you planning to make any of the following changes to your sourcing strategy?

Base: All firms (excluding don't know/refused responses)
Base: All firms that import (excluding don't know/refused responses)

International trade

DISRUPTIONS AND SOURCING STRATEGY

- While the majority of firms faced at least one of the disruptions to international trade asked about (94%), only around half (52%) have changed their sourcing strategy or are planning to change it. This is consistent with the EU as a whole.
- Manufacturing and large firms are most likely to have changed or have plans to change their sourcing strategy (68% and 60%, respectively).
- There are some differences across CESEE countries, with only around a third of firms in Latvia changing their sourcing strategy in the ways asked about, in spite of having a larger share of firms experiencing disruptions than most other CESEE countries. Hungary has the fewest firms facing disruptions to international trade, but nevertheless is similar to the average for the CESEE region for changing its sourcing strategy. Countries like Romania and Lithuania experience more disruptions than most CESEE countries and are also more likely to have implemented or plan to implement changes to their sourcing strategy.

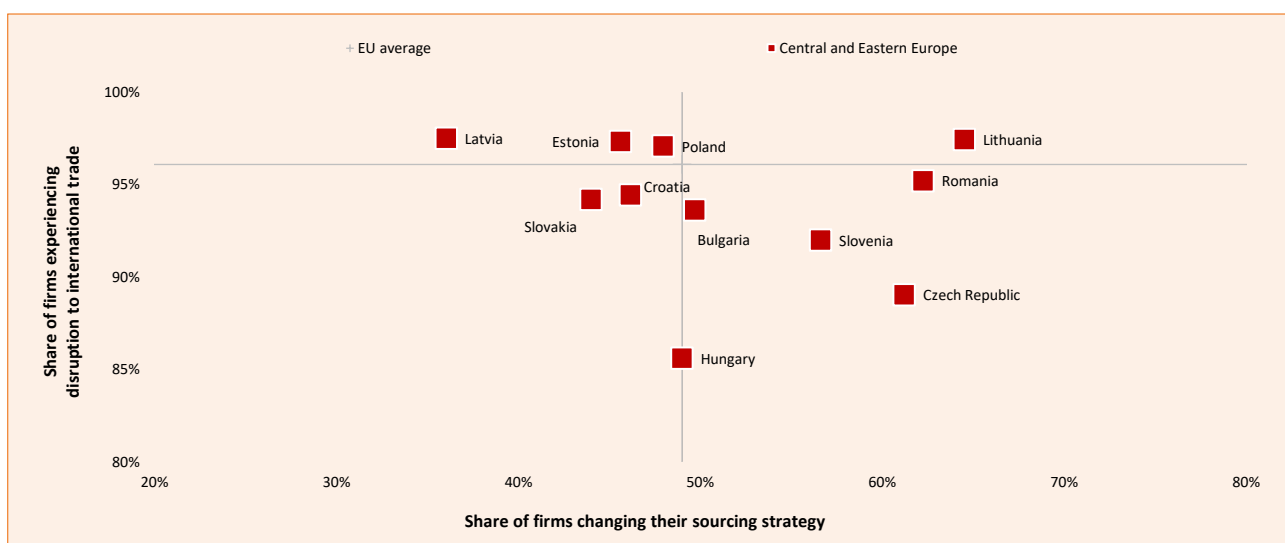


Q. Since the beginning of 2022, were any of the following an obstacle to your business's activities?

Q. Since the beginning of 2022, has your company made or are you planning to make any of the following changes to your sourcing strategy?

Base: All firms (excluding don't know/refused responses)

DISRUPTIONS AND SOURCING STRATEGY BY COUNTRY



Q. Since the beginning of 2022, were any of the following an obstacle to your business's activities?

Q. Since the beginning of 2022, has your company made or are you planning to make any of the following changes to your sourcing strategy?

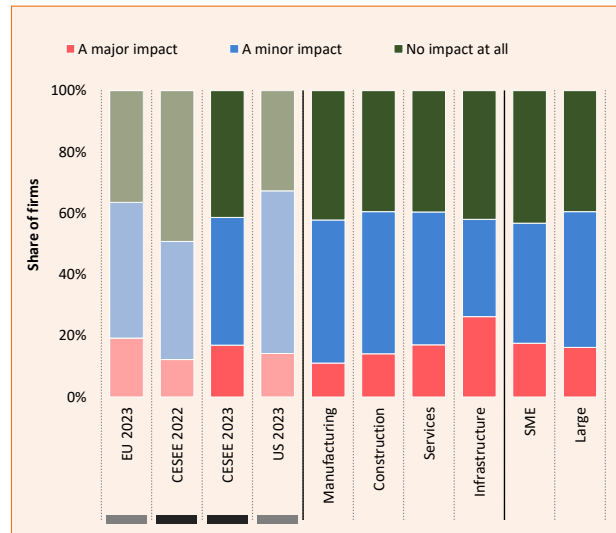
The y-axis line crosses the x-axis on the EU average for EIBIS 2023.

Base: All firms (excluding don't know/refused responses). The grey lines indicate the EU average for EIBIS 2023.

Climate change and energy efficiency

IMPACT OF CLIMATE CHANGE — PHYSICAL RISK

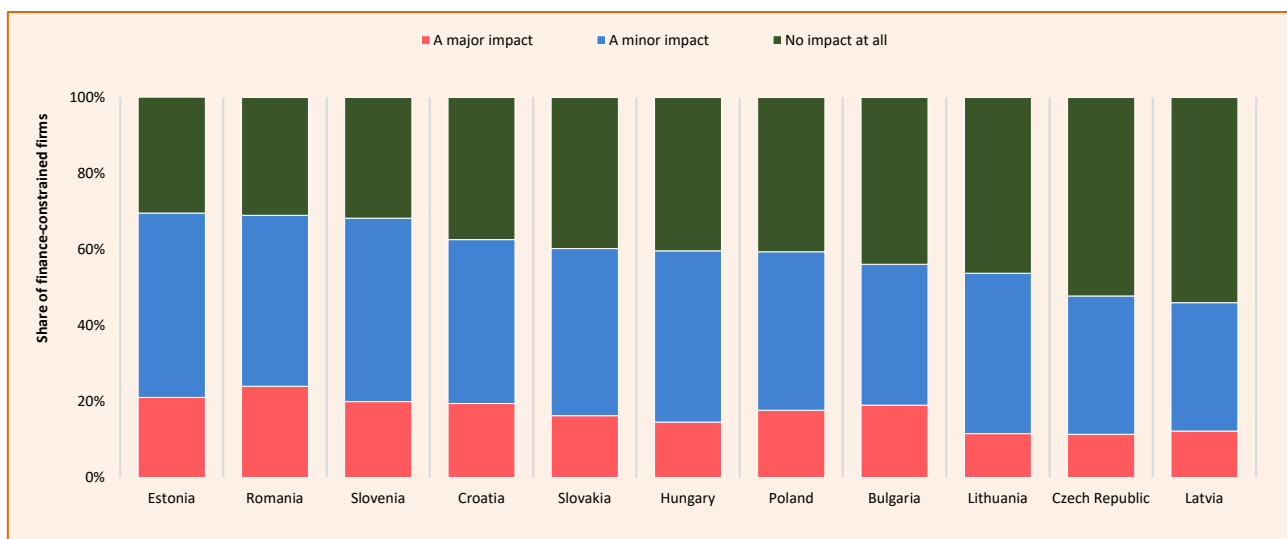
- Climate change is increasingly perceived as a reality. Around three-fifths (59%) of firms in the CESEE region report that weather events had an impact on their business. This is up from EIBIS 2022 (51%), although slightly below the current EU average (64%).
- Across the different sector and size classes, a similar proportion of firms report that physical risk had an impact.
- In the CESEE region, the highest shares of firms reporting weather events having an impact to their business are in Estonia (70%), Romania (69%) and Slovenia (68%), while Latvia (46%) and the Czech Republic (48%) have the lowest shares.



Q. Thinking about the impact of climate change on your company, such as losses due to extreme climate events, including droughts, flooding, wildfires or storms or changes in weather patterns due to progressively increasing temperature and rainfall. What is the impact, also called physical risk, of this on your company?

Base: All firms (excluding don't know/refused responses)

IMPACT OF CLIMATE CHANGE - PHYSICAL RISK BY COUNTRY



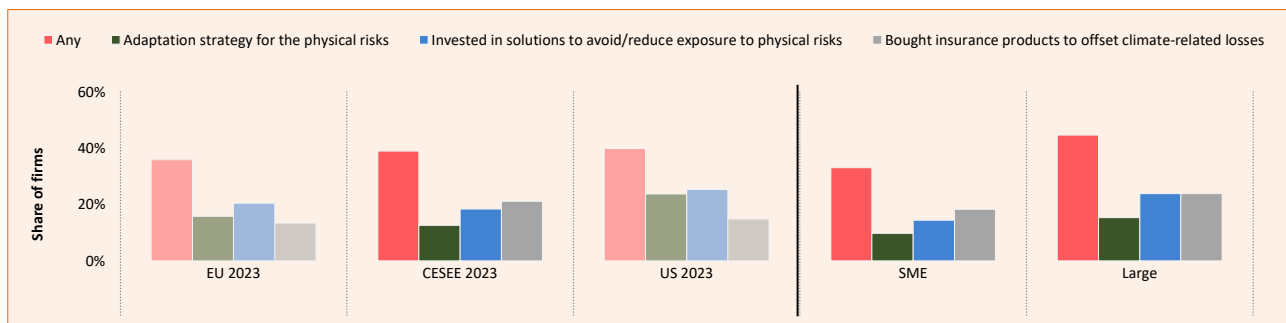
Q. Thinking about the impact of climate change on your company, such as losses due to extreme climate events, including droughts, flooding, wildfires or storms or changes in weather patterns due to progressively increasing temperature and rainfall. What is the impact, also called physical risk, of this on your company?

Base: All firms (excluding don't know/refused responses)

Climate change and energy efficiency

BUILDING RESILIENCE TO PHYSICAL RISK

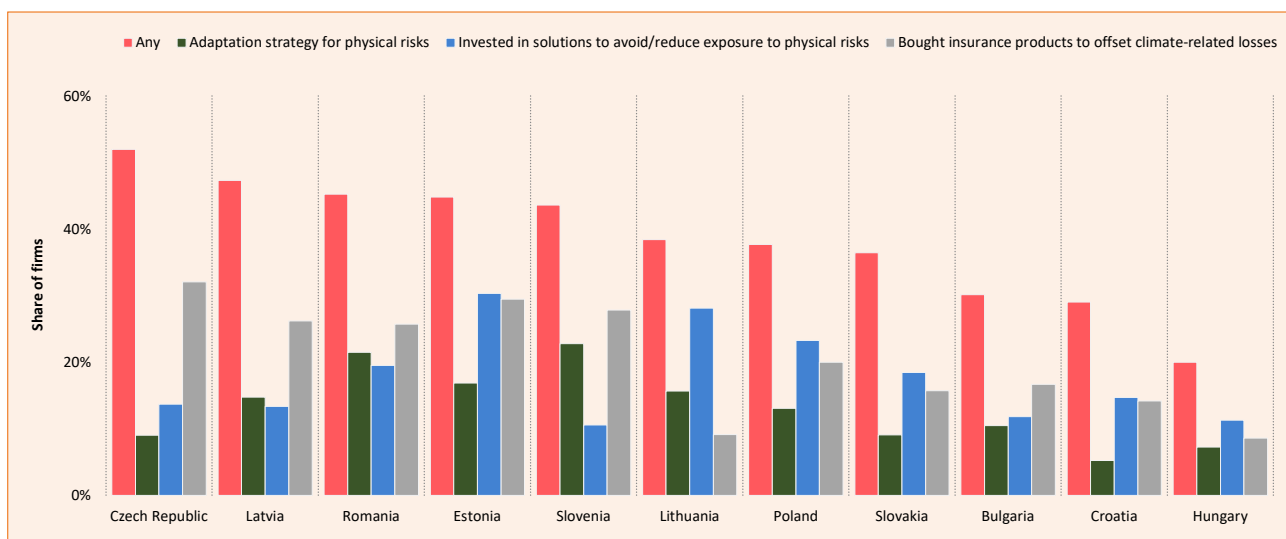
- Four in ten firms in the CESEE region (39%) have already acted to build their resilience to physical risks caused by climate change. This is similar to the EU average (36%).
- The actions firms took in the CESEE region are broadly similar to those taken in the EU as a whole. Firms in CESEE are most likely to have bought insurance products to offset climate-related losses (21%, higher than the EU average of 13%). The share of firms that undertook investments to avoid or reduce exposure to physical risks is similar within the CESEE region and in the EU as a whole (18% versus 20%). The same is true for the share that developed or invested in an adaptation strategy for dealing with physical risks (13% versus 16%).
- Large firms are more likely than SMEs to have taken at least one of the actions mentioned to build resilience to physical risks (45% versus 33%).
- The share of firms in the CESEE region that had taken at least one of the actions mentioned ranged from 52% in the Czech Republic to 20% in Hungary.



Q. Has your company developed or invested in any of the following measures to build resilience to the physical risks to your company caused by climate change?

Base: All firms (excluding don't know/refused responses)

BUILDING RESILIENCE TO PHYSICAL RISK BY COUNTRY



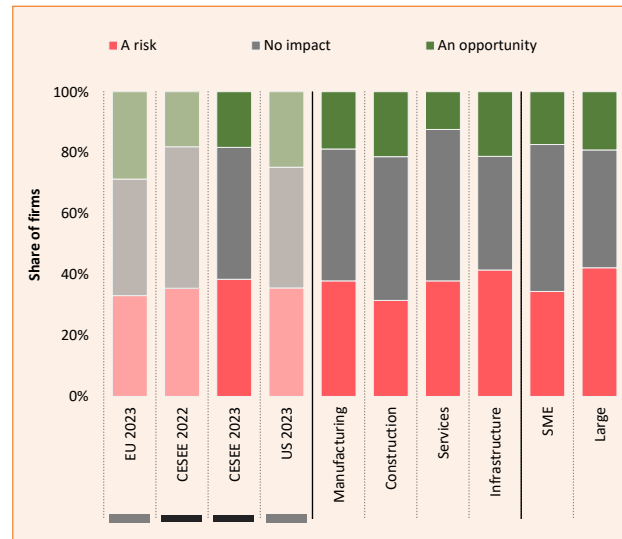
Q. Has your company developed or invested in any of the following measures to build resilience to the physical risks to your company caused by climate change?

Base: All firms (excluding don't know/refused responses)

Climate change and energy efficiency

IMPACT OF CLIMATE CHANGE — RISKS ASSOCIATED WITH THE TRANSITION TO A NET ZERO EMISSION ECONOMY OVER THE NEXT FIVE YEARS

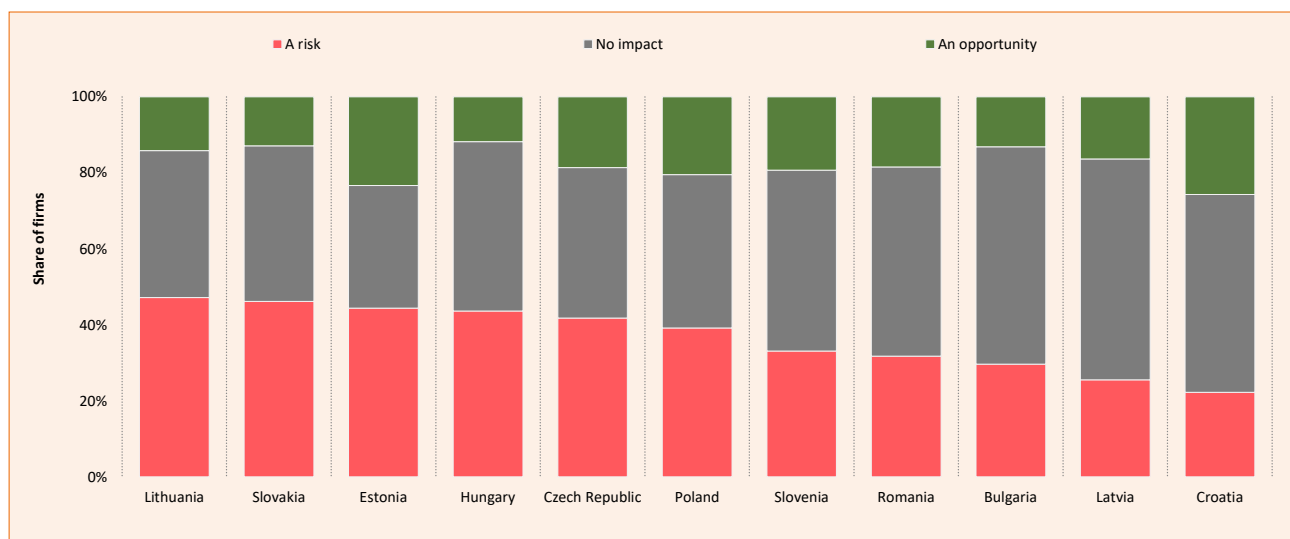
- Compared to the EU average, firms in the CESEE region are considerably more pessimistic about the impact of stricter climate standards on their business. The share of firms in CESEE seeing the transition to stricter climate standards and regulations as a risk is twice as high as the proportion regarding it as an opportunity (38% and 18%, respectively), similar to EIBIS 2022. This is in contrast to the EU as a whole, where there is more of an even balance (33% risk, 29% opportunity).
- Firms in the services sector are less likely than those in other sectors to see the climate transition as an opportunity (12%).
- Large firms are more likely than SMEs to think the transition represents a risk (42% versus 34%).
- Firms in Lithuania and Slovakia are the most likely to see the transition to a net zero emission economy over the next five years as a risk (47% and 46%, respectively). Firms in Croatia and Estonia are the most likely to see it as an opportunity (26% and 23%, respectively).



Q. Thinking about your company, what impact do you expect this transition to stricter climate standards and regulations will have on your company over the next five years?

Base: All firms (excluding don't know/refused responses)

IMPACT OF CLIMATE CHANGE — RISKS ASSOCIATED WITH THE TRANSITION TO A NET ZERO EMISSION ECONOMY OVER THE NEXT FIVE YEARS BY COUNTRY



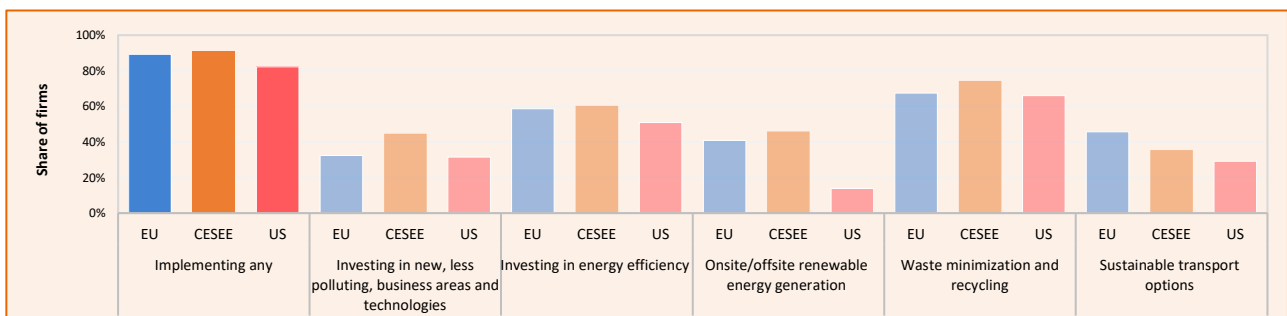
Q. Thinking about your company, what impact do you expect this transition to stricter climate standards and regulations will have on your company over the next five years?

Base: All firms (excluding don't know/refused responses)

Climate change and energy efficiency

ACTION TO REDUCE GREENHOUSE GAS EMISSIONS

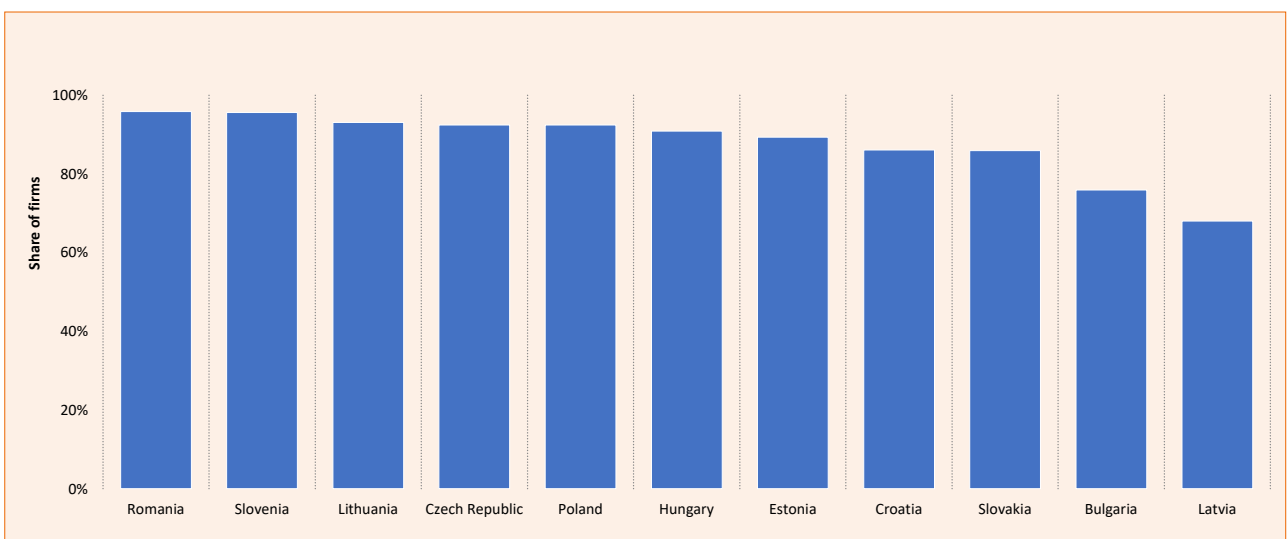
- Around nine in ten firms in CESEE (91%) are taking actions to reduce greenhouse gas emissions, in line with the EU average (89%).
- The main action taken by firms in CESEE is waste minimisation and recycling (74%), followed by investments in energy efficiency (60%).
- Compared with the EU as a whole, more firms in the CESEE region are investing in/implementing waste minimisation and recycling (74% versus 67%), energy efficiency onsite/offsite renewable energy generation (46% versus 41%) and new, less polluting, business areas and technologies (45% versus 32%). Firms in CESEE are less likely to be investing in sustainable transport options (36% versus 46%).
- In the CESEE region, nearly all firms in Romania and Slovenia (both 96%) have taken action, while firms in Latvia (68%) and Bulgaria (76%) were the least likely to do so.



Q. Is your company investing or implementing any of the following, to reduce greenhouse gas (GHG) emissions?

Base: All firms (excluding don't know/refused responses)

ACTION TO REDUCE GREENHOUSE GAS EMISSIONS BY COUNTRY



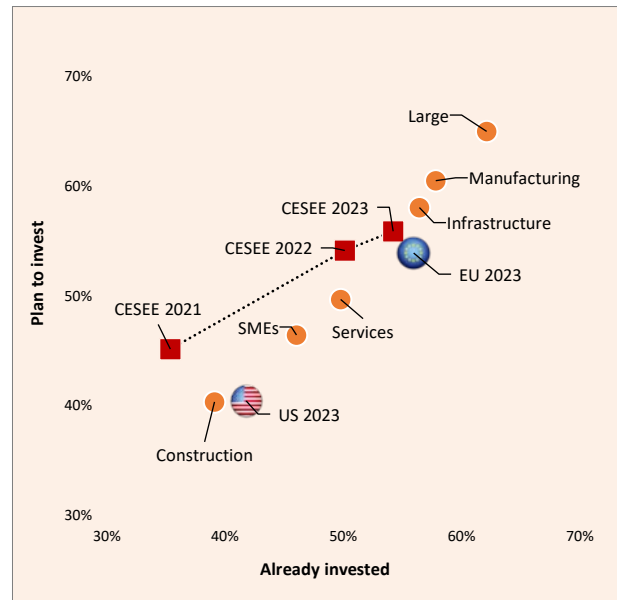
Q. Is your company investing or implementing any of the following, to reduce greenhouse gas (GHG) emissions?

Base: All firms (excluding don't know/refused responses)

Climate change and energy efficiency

INVESTMENT PLANS TO TACKLE CLIMATE CHANGE IMPACT

- Across the CESEE region, 54% of firms have already invested in tackling the impacts of weather events and dealing with the process of reducing carbon emissions. This is in line with EIBIS 2022 (50%) and the current EU average (56%).
- In addition, more than half (56%) of firms in CESEE have plans to invest in these areas in the next three years, also in line with EIBIS 2022 (54%) and the current EU average (54%).
- Large firms are more likely than SMEs to have already invested (62% versus 46%) and to have plans to invest (65% versus 46%).
- Firms in the manufacturing and infrastructure sectors are more likely both to have already invested (58% and 56%, respectively) and to have plans to invest (61% and 58%, respectively).
- In the CESEE region, Lithuania has the highest share of firms planning to invest over the next three years, and along with Czech Republic also has a relatively high proportion that have already invested. Hungary and Latvia have relatively low shares of firms for both investments made and plans to invest. Croatia has the lowest share of firms that have already invested.



EIBIS 2022/2023:

Q. Which of the following applies to your company regarding investments to tackle the impacts of weather events and to help reduce carbon emissions?

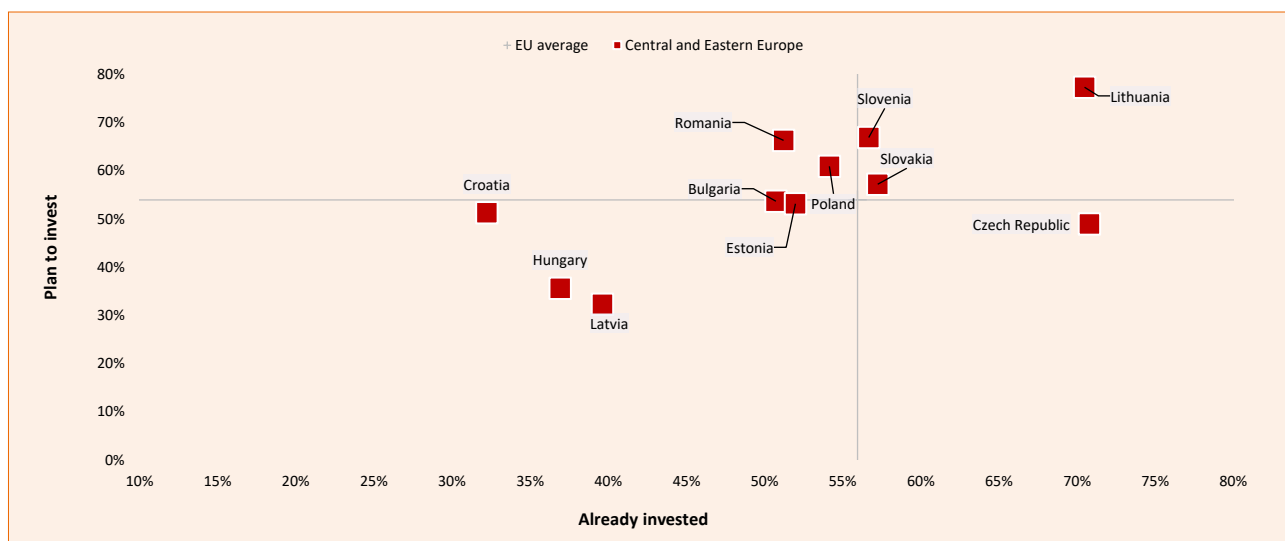
EIBIS 2021:

Q. Now thinking about investments to tackle the impacts of weather events and to deal with the process of reduction in carbon emissions, which of the following applies?

Please note: question change and an additional answer option was included in 2022, this may have influenced the data. Treat comparison to 2021 with caution.

Base: All firms (excluding don't know/refused responses)

INVESTMENT PLANS TO TACKLE CLIMATE CHANGE IMPACT BY COUNTRY



Q. Which of the following applies to your company regarding investments to tackle the impacts of weather events and to help reduce carbon emissions?

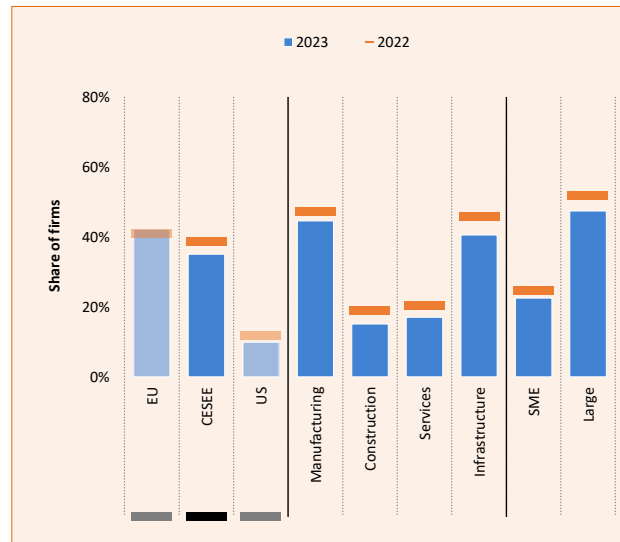
The y-axis line crosses the x-axis on the EU average for EIBIS 2023.

Base: All firms (excluding don't know/refused responses). The grey lines indicate the EU average for EIBIS 2023.

Climate change and energy efficiency

CLIMATE CHANGE TARGETS FOR OWN GREENHOUSE GAS EMISSIONS

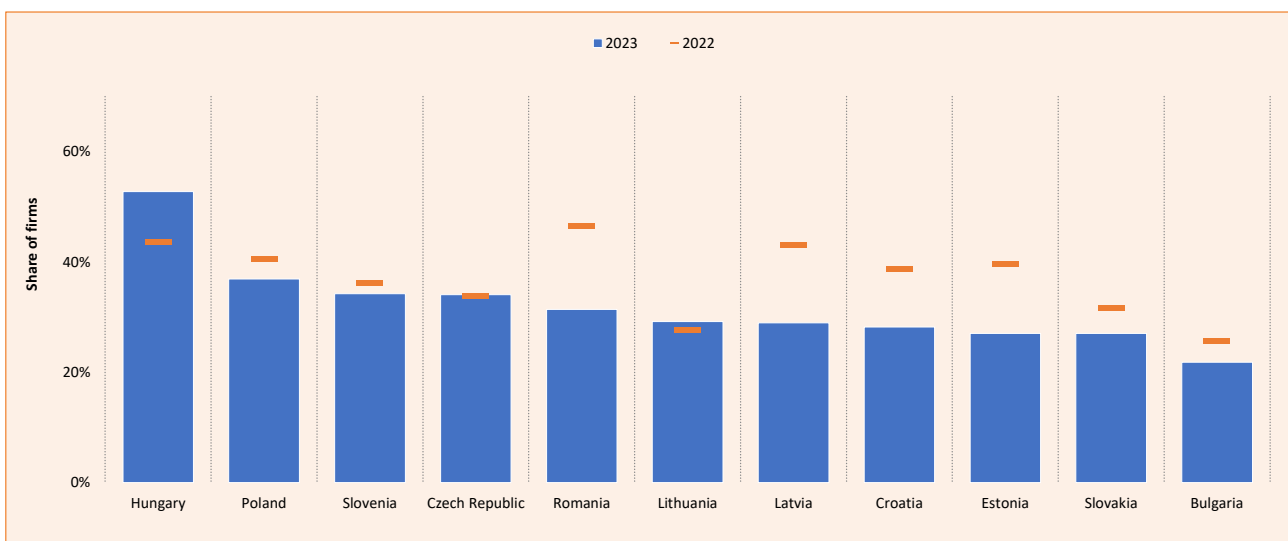
- Around a third of firms in CESEE (35%) report that they set and monitor targets for their own greenhouse gas emissions. This is similar to EIBIS 2022 (39%) but below the current EU average (42%).
- Firms in the manufacturing and infrastructure sectors (45% and 41%, respectively) and large firms (47%) are the most likely to set and monitor these targets.
- Figures for different size and sector groups are similar to EIBIS 2022.
- Within CESEE, Hungary (53%) has the highest share of firms setting and monitoring targets for their own greenhouse gas emissions, while Bulgaria (22%) has the lowest share.



Q. Does your company... set and monitors targets for its own greenhouse gas (GHG) emissions

Base: All firms (excluding don't know/refused responses)

CLIMATE CHANGE TARGETS FOR OWN GREENHOUSE GAS EMISSIONS BY COUNTRY



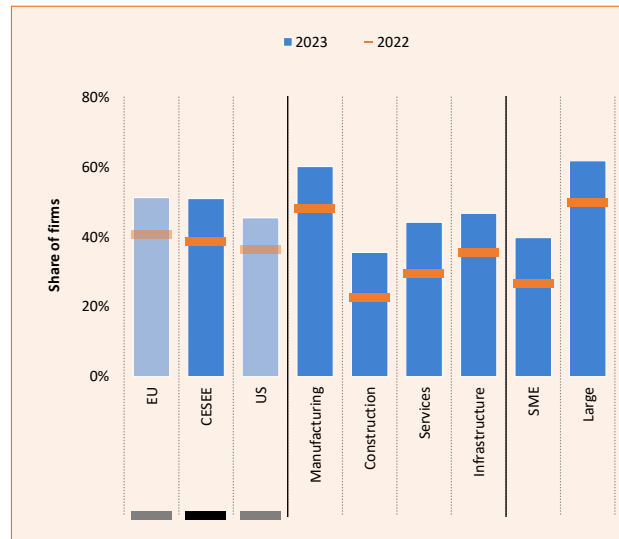
Q. Does your company... set and monitors targets for its own greenhouse gas (GHG) emissions

Base: All firms (excluding don't know/refused responses)

Climate change and energy efficiency

SHARE OF FIRMS INVESTING IN MEASURES TO IMPROVE ENERGY EFFICIENCY

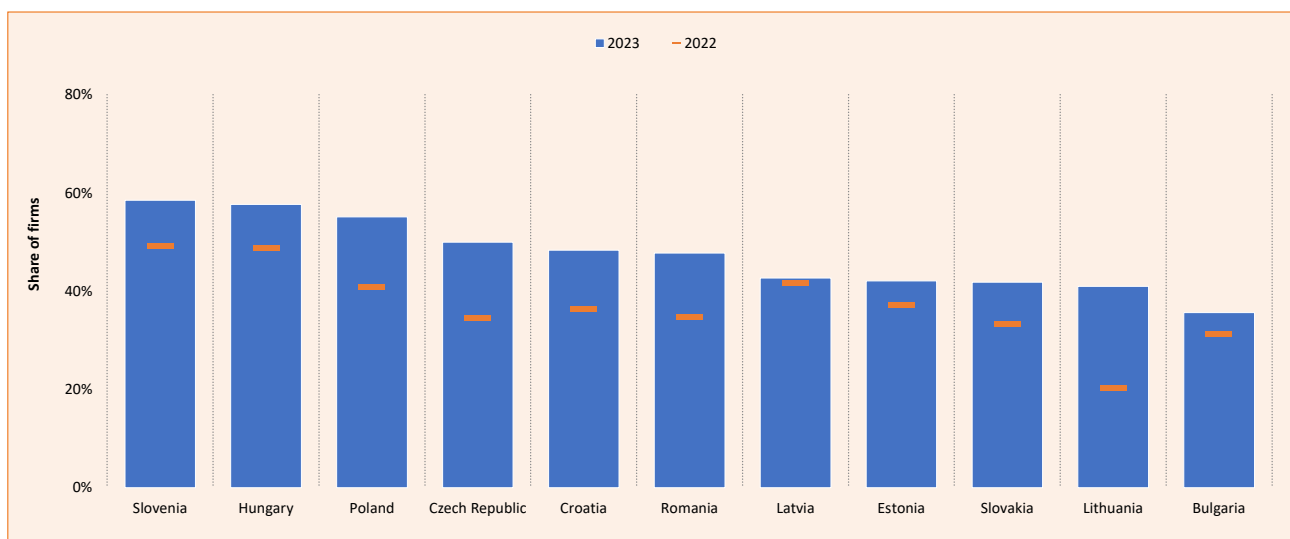
- Around half (51%) of firms in CESEE report that they invested in measures to improve energy efficiency in 2022. This is the same as the EU average, and an improvement compared with the figure recorded for CESEE in EIBIS 2022 (39%).
- Among firms in CESEE, those in the manufacturing sector (60%) and large firms (62%) are the most likely to have invested in energy efficiency. The figures are higher than in EIBIS 2022 in each sector, and for both large firms and SMEs.
- In the CESEE region, Slovenia (58%), Hungary (58%) and Poland (55%) have the largest share of firms that invested in energy efficiency in 2022, while Bulgaria (36%) has the lowest share. The figures in many countries are higher than in EIBIS 2022, most notably in Lithuania (up from 20% to 41%).



Q. What proportion of the total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

Base: All firms

SHARE OF FIRMS INVESTING IN MEASURES TO IMPROVE ENERGY EFFICIENCY BY COUNTRY



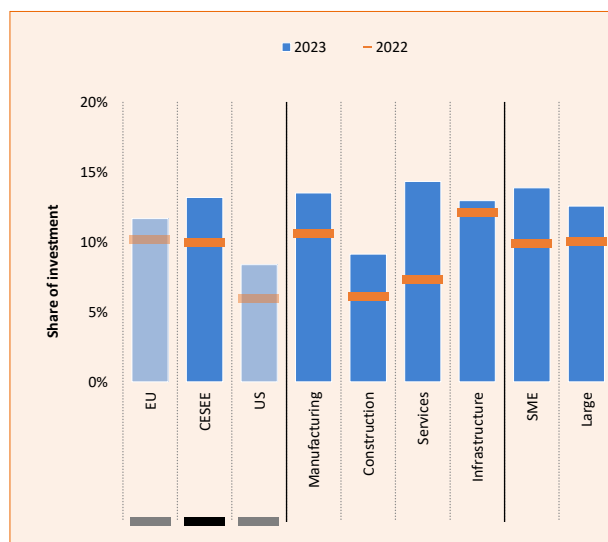
Q. What proportion of the total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

Base: All firms

Climate change and energy efficiency

AVERAGE SHARE OF INVESTMENT IN MEASURES TO IMPROVE ENERGY EFFICIENCY

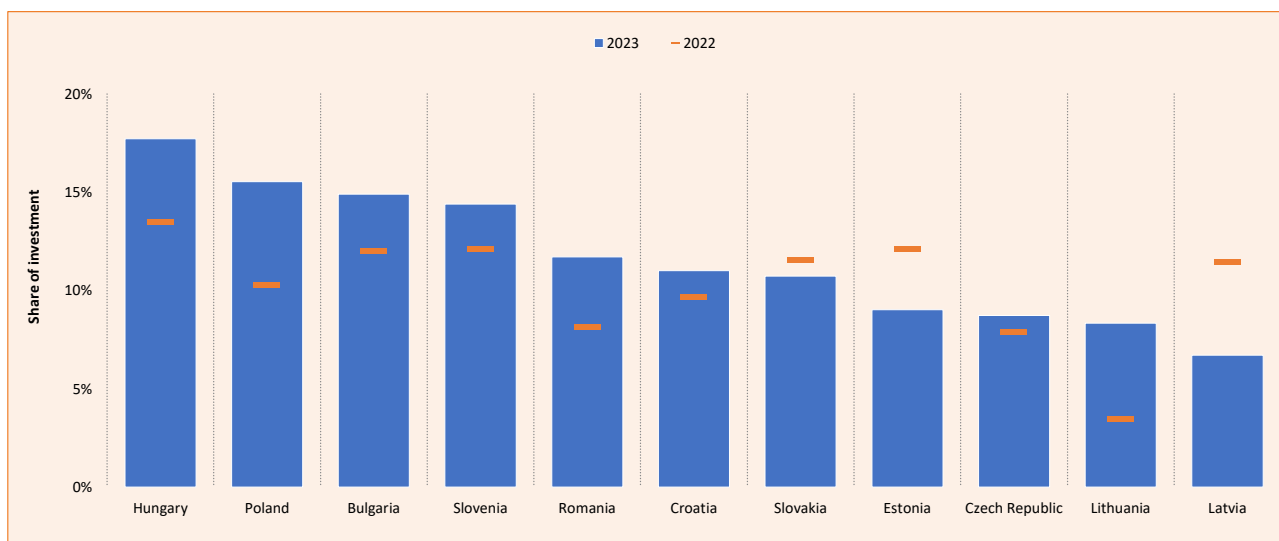
- Firms report that an average of 13% of their investments flowed into measures to improve energy efficiency, higher than EIBS 2022 (10%) and in line with the current EU average (12%).
- Firms in the construction sector (9%) spent the lowest share of their investment on energy efficiency. There was no difference between large firms and SMEs.
- In CESEE, Hungary reports the highest share of investment in energy efficiency (18%), followed by Poland (16%) and Bulgaria (15%), while Latvia (7%) and Lithuania (8%) reported the smallest share of this type of investment.



Q. What proportion of the total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

Base: All firms that have invested in the last financial year (excluding don't know/refused responses)

AVERAGE SHARE OF INVESTMENT IN MEASURES TO IMPROVE ENERGY EFFICIENCY BY COUNTRY



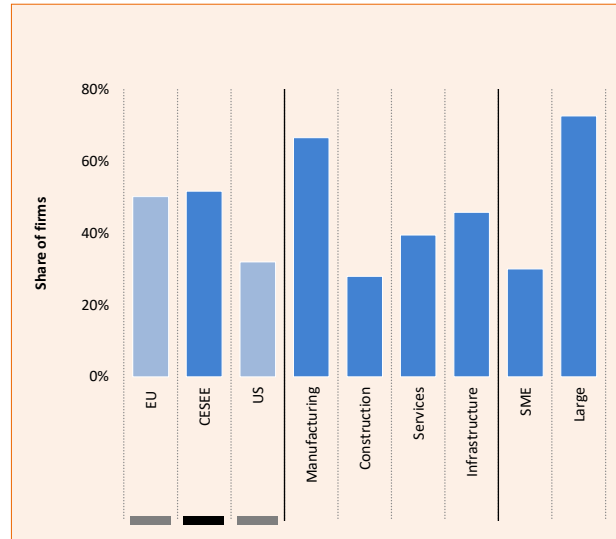
Q. What proportion of the total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

Base: All firms that have invested in the last financial year (excluding don't know/refused responses)

Climate change and energy efficiency

ENERGY AUDIT

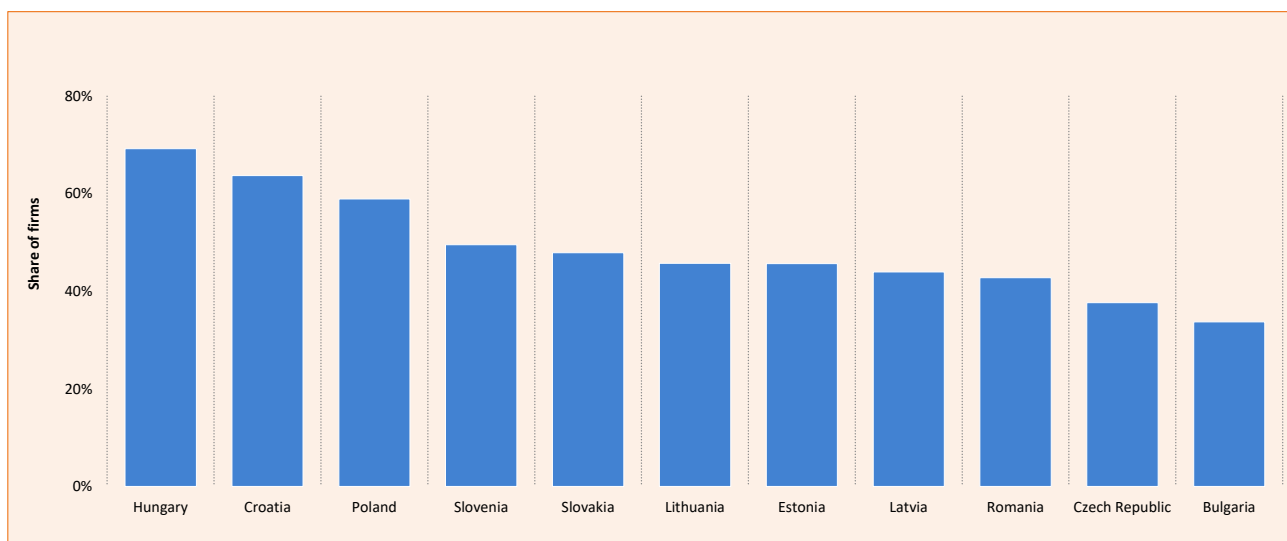
- Around half of firms in CESEE (52%) report that they had an energy audit in the past three years, in line with the EU average (50%).
- Manufacturing and large firms had the highest share of firms who had an energy audit (67% and 73%).
- In the CESEE region, Hungary (69%) and Croatia (64%) had the highest share of firms that had an energy audit, while Bulgaria (34%) and the Czech Republic (38%) had the fewest.



Q. In the past three years, has your company had an energy audit (i.e. an assessment of the energy needs and efficiency of your company's building or buildings)?

Base: All firms (excluding don't know/refused responses)

ENERGY AUDIT BY COUNTRY



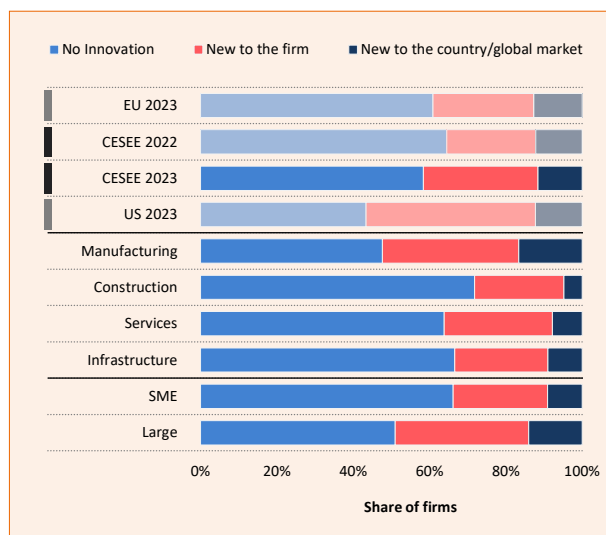
Q. In the past three years, has your company had an energy audit (i.e. an assessment of the energy needs and efficiency of your company's building or buildings)?

Base: All firms (excluding don't know/refused responses)

Innovation activities

INNOVATION ACTIVITY

- About two in five firms in CESEE (42%) report that they developed or introduced new products, processes or services as part of their investment activities in 2022, higher than the share reported in EIBIS 2022 (35%) and in line with the EU average of 39%.
- Over one in ten firms in CESEE (12%) report the development/introduction of products, processes or services that were new to either the country or global market. This proportion was the same as in EIBIS 2022 and matches the EU average (13%).
- The manufacturing sector has the highest share of firms that were investing in innovation (52%). Large firms were more likely to innovate than SMEs (49% versus 34%).
- In the CESEE region, innovation levels were highest among firms in the Czech Republic (55%) and were lowest in Bulgaria (27%).

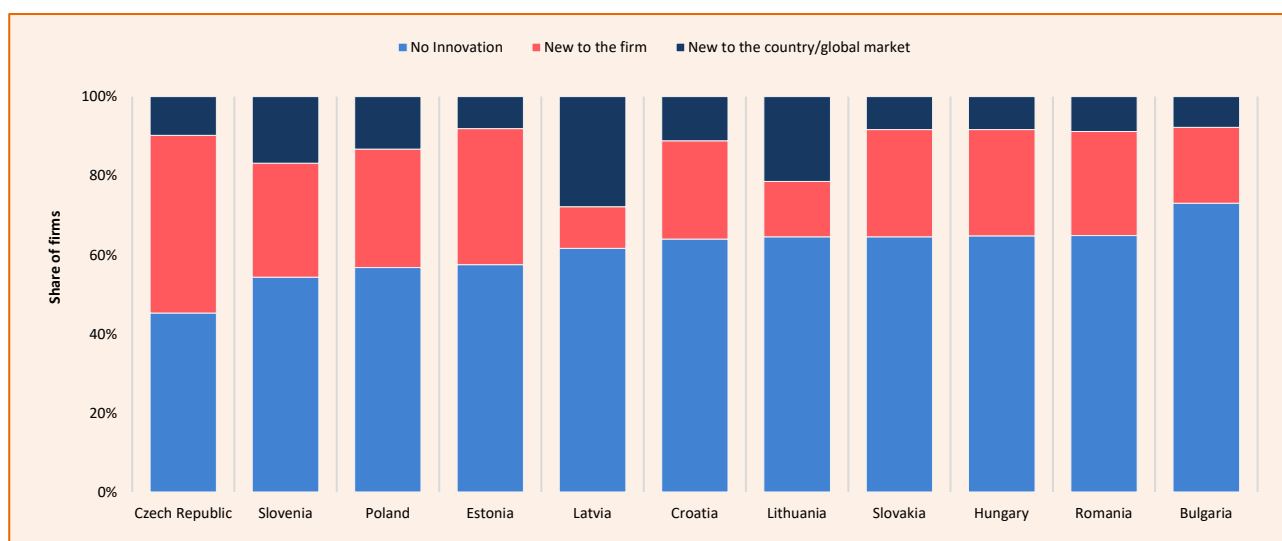


Q. What proportion of total investment in the last financial year was for developing or introducing new products, processes, services?

Q. Were the products, processes or services new to the company, new to the country or new to the global market?

Base: All firms (excluding don't know/refused responses)

INNOVATION ACTIVITY BY COUNTRY



Q. What proportion of total investment in the last financial year was for developing or introducing new products, processes, services?

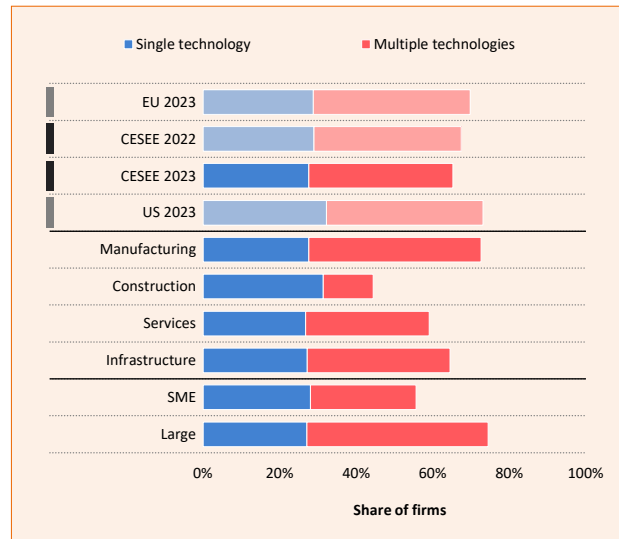
Q. Were the products, processes or services new to the company, new to the country or new to the global market?

Base: All firms (excluding don't know/refused responses)

Innovation activities

USE OF ADVANCED DIGITAL TECHNOLOGIES

- Overall, 65% of firms in CESEE report using at least one advanced digital technology, similar to EIBIS 2022 but below the current EU average (70%).
- Firms in the manufacturing sector (73%) are the most likely to have adopted at least one digital technology. Only in construction (44%) were firms that used digital technologies in the minority.
- Large firms are more likely than SMEs to have adopted multiple technologies at the same time (47% versus 28%).
- The digital technologies that firms in CESEE are most likely to be using are the Internet of Things (45%), robotics (45%) and digital platform technologies (37%). Figures for CESEE are broadly in line with the EU as a whole, although firms in CESEE are less likely to be using robotics (45% versus 54%) and digital platform technologies (37% versus 50%).



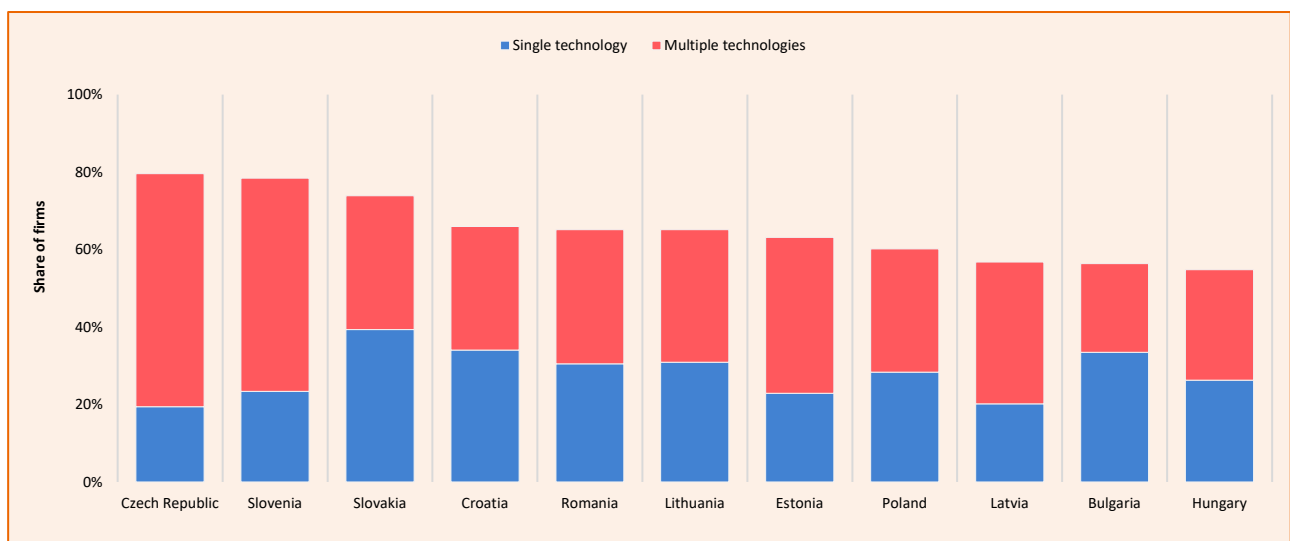
Q. To what extent, if at all, are each of the following digital technologies used within your business? Please say if you do not use the technology within your business.

Reported shares combine “used” the technology “in parts of business” and “entire business organised around it.”

Single technology is where firms have used one of the technologies asked about. Multiple technologies is where firms have used more than one of the technologies asked about.

Base: All firms (excluding don't know/refused responses)

USE OF ADVANCED DIGITAL TECHNOLOGIES BY COUNTRY



Q. To what extent, if at all, are each of the following digital technologies used within your business? Please say if you do not use the technology within your business?

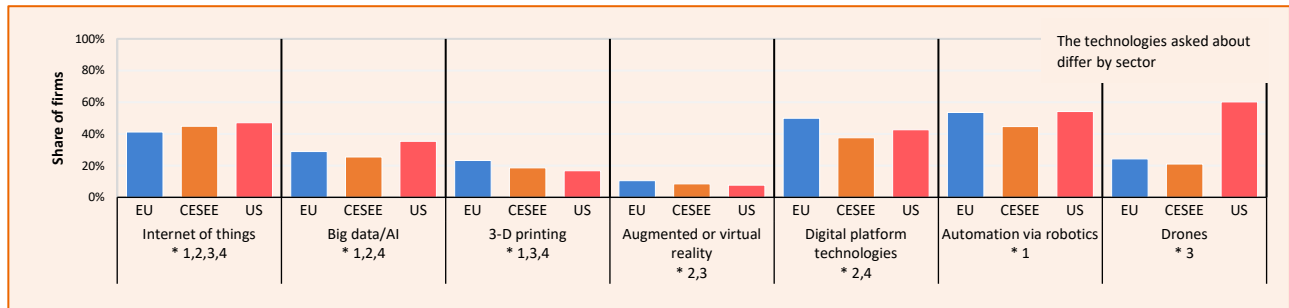
Reported shares combine used the technology “in parts of business” and “entire business organised around it.”

Single technology is where firms have used one of the technologies asked about. Multiple technologies is where firms have used more than one of the technologies asked about.

Base: All firms (excluding don't know/refused responses)

Innovation activities

ADVANCED DIGITAL TECHNOLOGIES



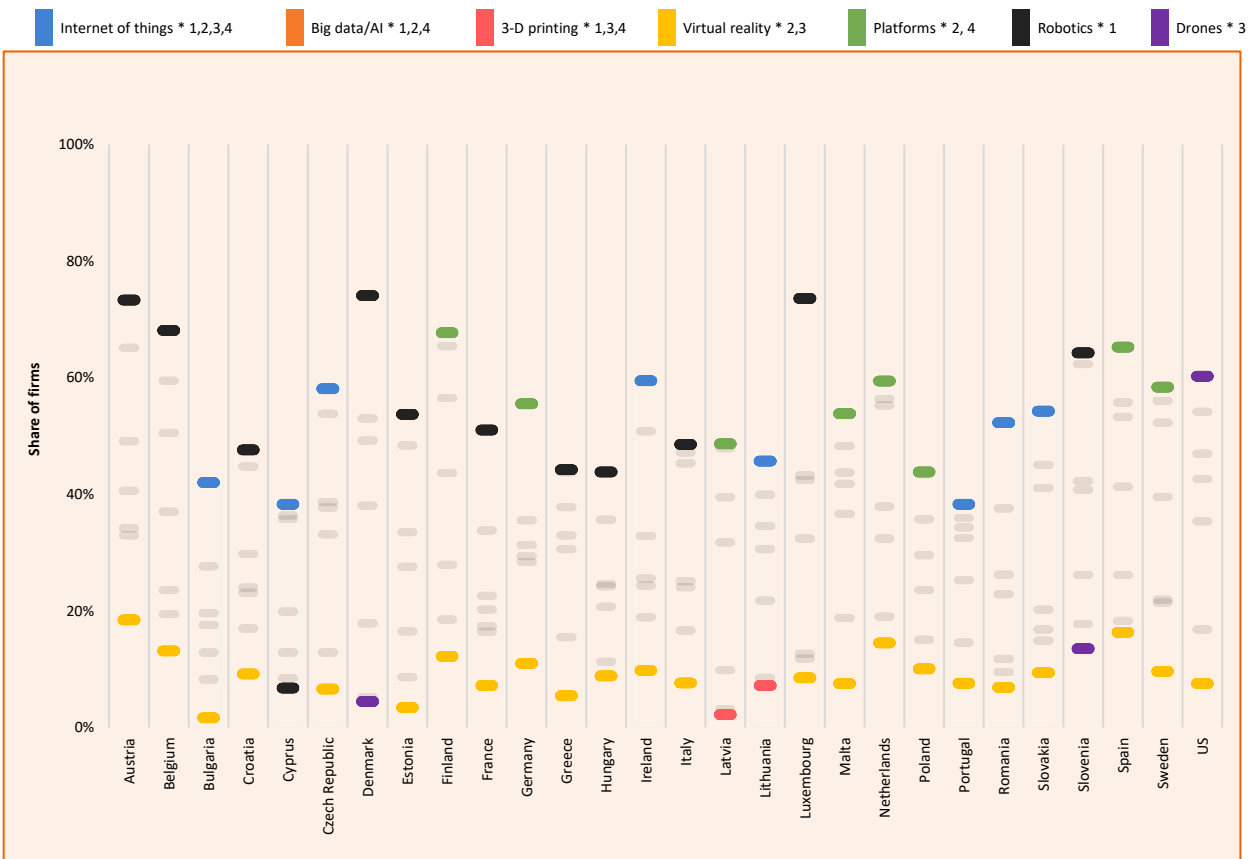
* Sector: 1 = Asked to manufacturing firms, 2 = Asked to services firms, 3 = Asked to construction firms, 4 = Asked to infrastructure firms

Q. To what extent, if at all, are each of the following digital technologies used within your business? Please say if you do not use the technology within your business.

Reported shares combine implemented the technology "in parts of business" and "entire business organised around it."

Base: All firms (excluding don't know/refused responses);
Manufacturing (1 502); Services (1 246); Construction (969); Infrastructure (1 155)

ADVANCED DIGITAL TECHNOLOGIES BY COUNTRY



* Sector: 1 = Asked to manufacturing firms, 2 = Asked to services firms, 3 = Asked to construction firms, 4 = Asked to infrastructure firms

Q. To what extent, if at all, are each of the following digital technologies used within your business? Please say if you do not use the technology within your business.

Reported shares combine implemented the technology "in parts of business" and "entire business organised around it."

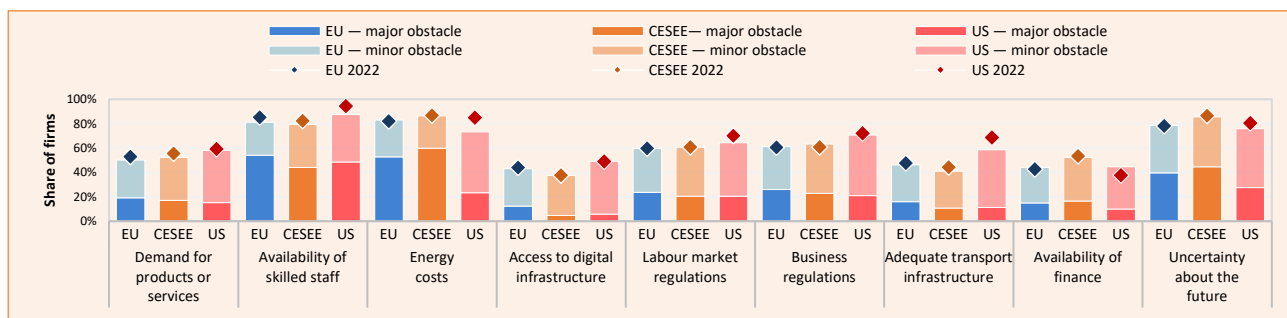
Base: All firms (excluding don't know/refused responses)

Chart displays the highest and lowest shares of firms using each type of digital technology, by country. The grey shading shows the proportions of other technologies implemented.

Investment impediments

LONG-TERM BARRIERS TO INVESTMENT

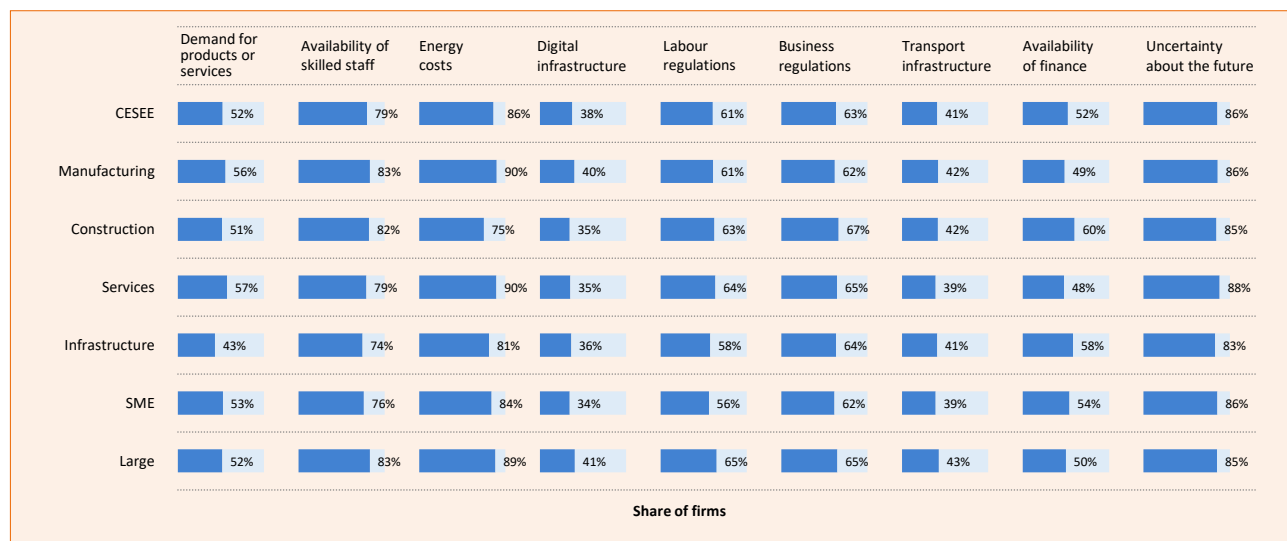
- As in EIBIS 2022, the most frequently mentioned long-term barriers to investment in CESEE are energy costs (86%), uncertainty about the future (86%) and availability of skilled staff (79%). These are also the main barriers for firms across the EU.
- In line with EIBIS 2022, firms in CESEE are particularly likely to perceive energy costs as a major barrier (60%), to an even greater extent than firms in the EU as a whole (53%)
- Within CESEE, manufacturing and services firms are more likely to regard energy costs as a barrier (both 90%), compared with construction and infrastructure firms (75% and 81%, respectively). The opposite applies to the availability of finance (60% and 58%, respectively, in the construction and infrastructure sectors, compared with 48% of services and 49% of manufacturing firms).
- In CESEE, large firms are more likely than SMEs to report facing several obstacles, including energy costs, the availability of skilled staff, access to digital infrastructure and labour market regulations.



Q. Thinking about your investment activities, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Base: All firms (data not shown for those that said not an obstacle at all/don't know/refused)

LONG-TERM BARRIERS TO INVESTMENT BY SECTOR AND SIZE



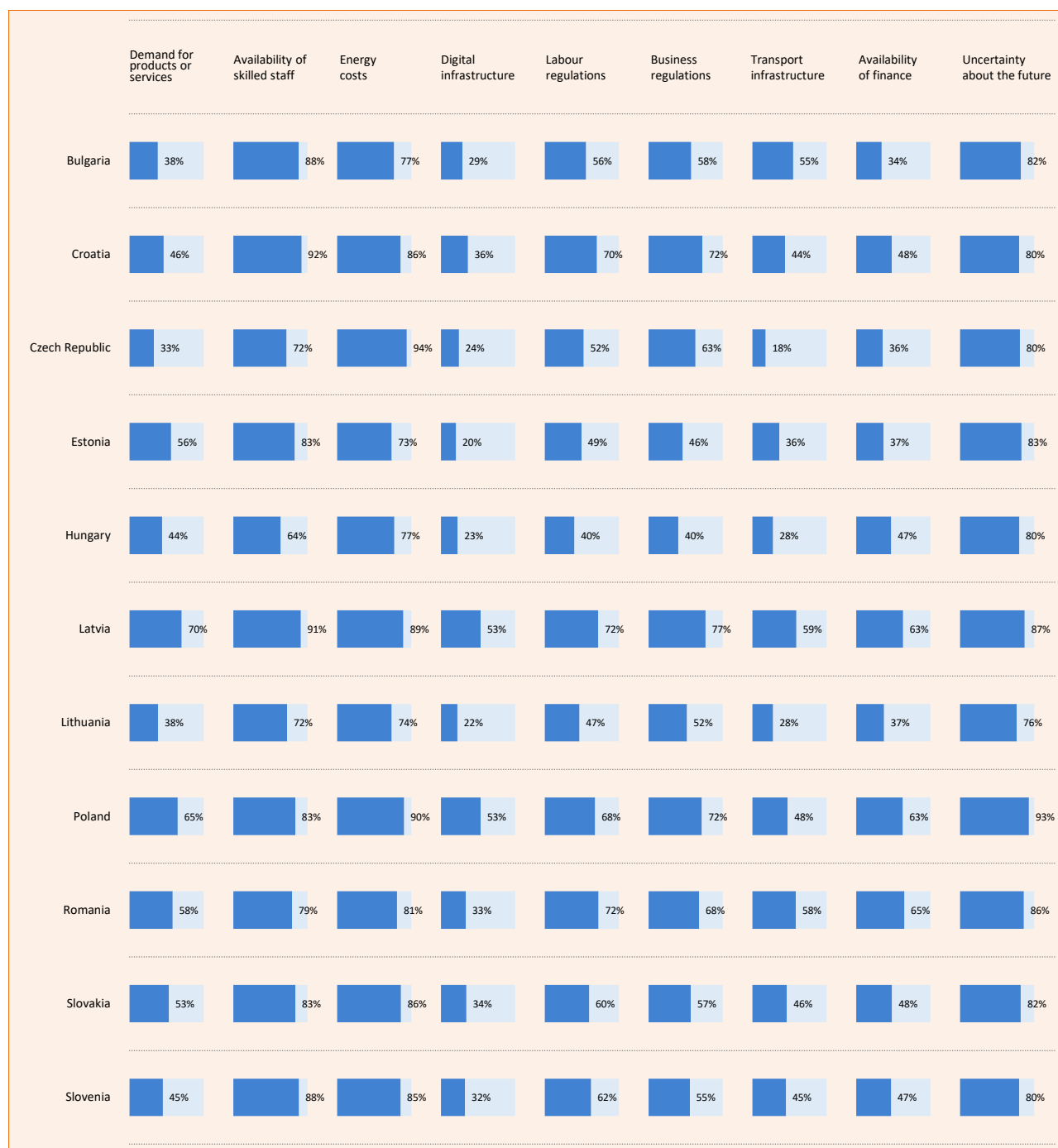
Q. Thinking about your investment activities, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Reported shares combine "minor" and "major" obstacles into one category.

Base: All firms (data not shown for those that said not an obstacle at all/don't know/refused)

Investment impediments

LONG-TERM BARRIERS TO INVESTMENT BY COUNTRY



Q. Thinking about your investment activities, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

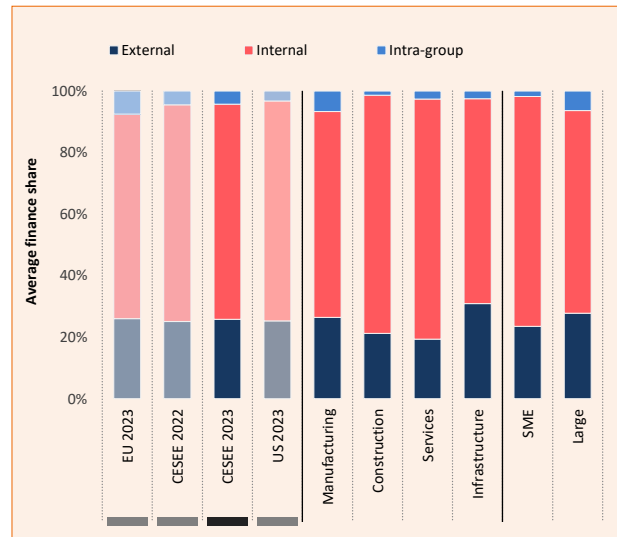
Reported shares combine "minor" and "major" obstacles into one category.

Base: All firms (data not shown for those that said not an obstacle at all/don't know/refused)

Access to finance

SOURCE OF INVESTMENT FINANCE

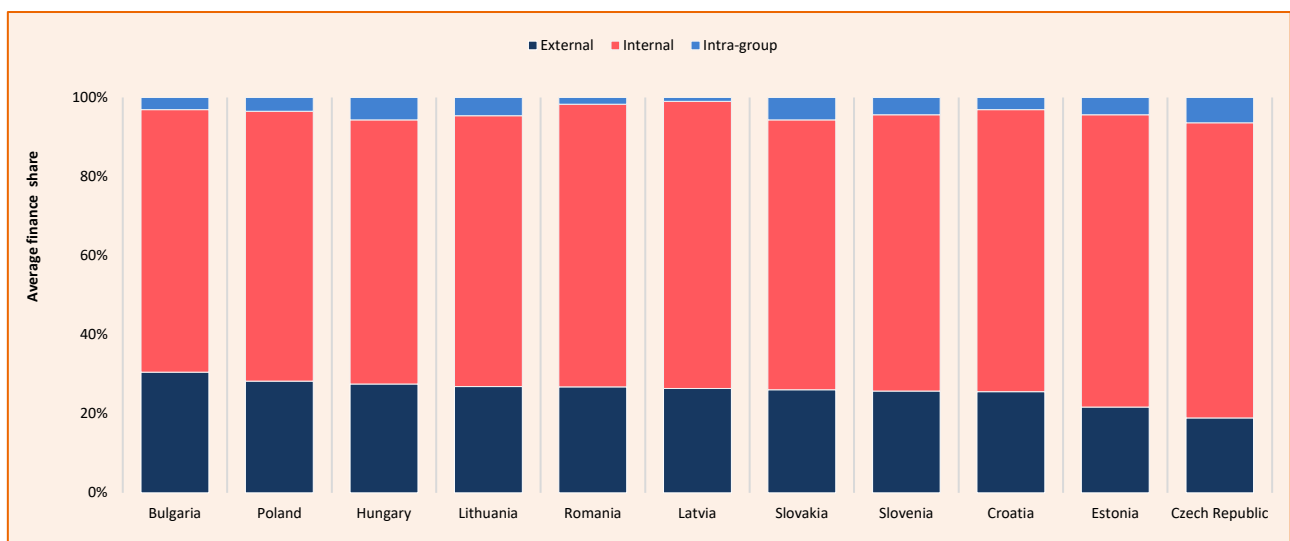
- Internal financing still accounted for the largest share of finance for CESEE firms in EIBIS 2023 (70%), followed by external finance (26%). The use of intra-group financing made up, on average, 4% of overall investment by firms in CESEE. All proportions are similar to EIBIS 2022 and are in line with the EU average.
- In all sectors, over half of investment finance came from internal sources. This was highest in the construction and services sectors (77% and 78%, respectively). Infrastructure firms received the highest share of investment from external sources (31%), while manufacturers' investment finance was more heavily weighted than the other sectors towards intra-group funding (7%).
- Large firms financed a higher proportion of their investment than SMEs through external (28% versus 24%) and intra-group finance (6% versus 2%).
- In the CESEE region, the share of external finance is highest in Bulgaria (31%) and lowest in the Czech Republic (19%).



Q. What proportion of your investment was financed by each of the following?

Base: All firms that invested in the last financial year (excluding don't know/refused responses)

SOURCE OF INVESTMENT FINANCE BY COUNTRY



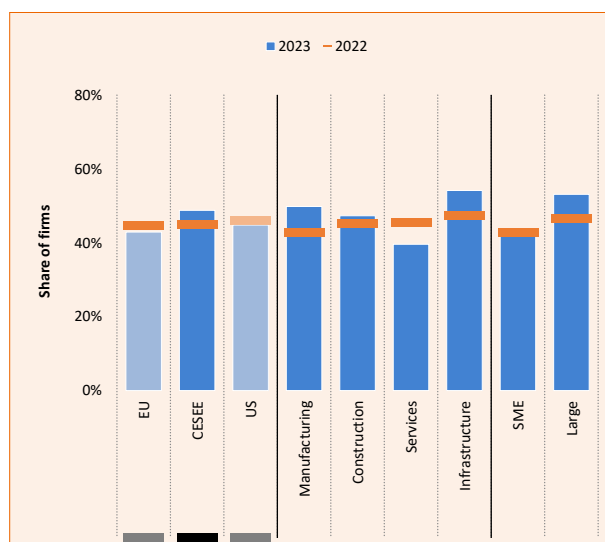
Q. What proportion of your investment was financed by each of the following?

Base: All firms that invested in the last financial year (excluding don't know/refused responses)

Access to finance

USE OF EXTERNAL FINANCE

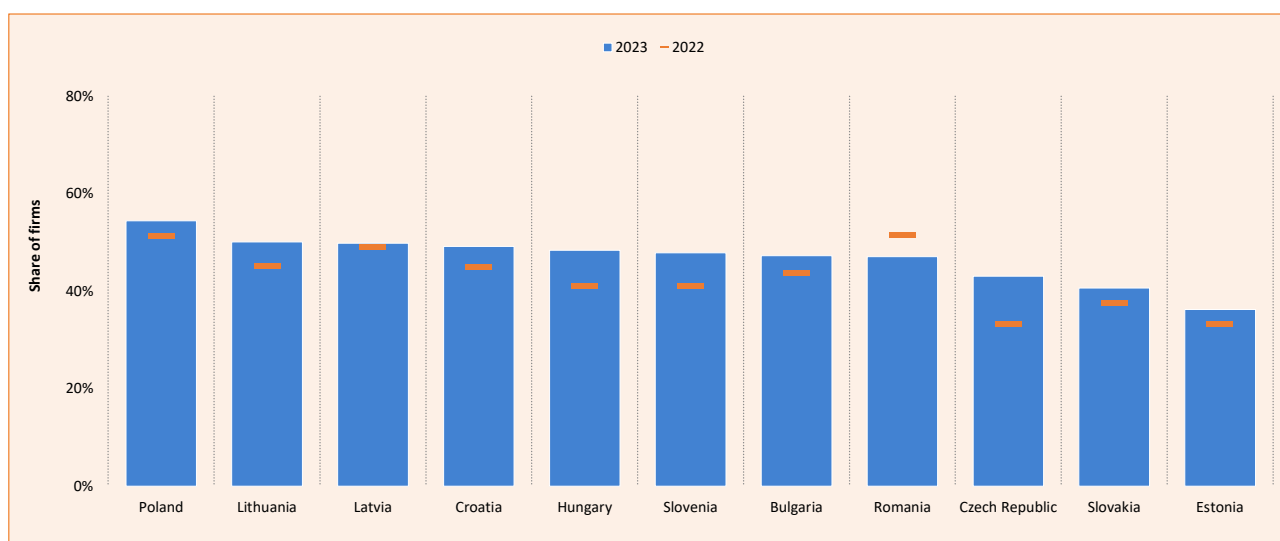
- In the CESEE region, about half (49%) of firms that invested in the last financial year had financed at least some of their investment through external sources. This is similar to EIBIS 2022 (45%) and higher than the current EU average (43%).
- The share of firms that had used external finance in the last financial year ranged from 54% in the infrastructure sector to 40% in the services sector.
- Large firms were more likely than SMEs to have used external finance (53% versus 44%).
- More than half of firms in Poland (54%) had financed at least some of their investment through external finance. The proportion was lowest in Estonia (36%).



Q. Approximately what proportion of your investment in the last financial year was financed by each of the following

Base: All firms that invested in the last financial year (excluding don't know/refused responses)

USE OF EXTERNAL FINANCE BY COUNTRY



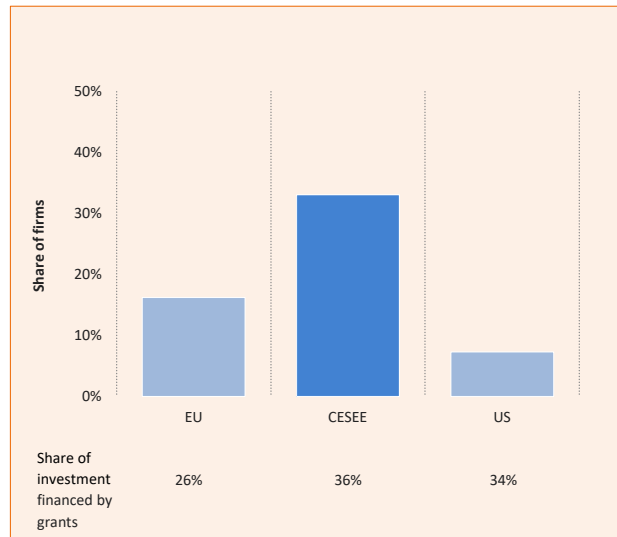
Q. Approximately what proportion of your investment in the last financial year was financed by each of the following

Base: All firms that invested in the last financial year (excluding don't know/refused responses)

Access to finance

SHARE OF FIRMS WITH FINANCE FROM GRANTS

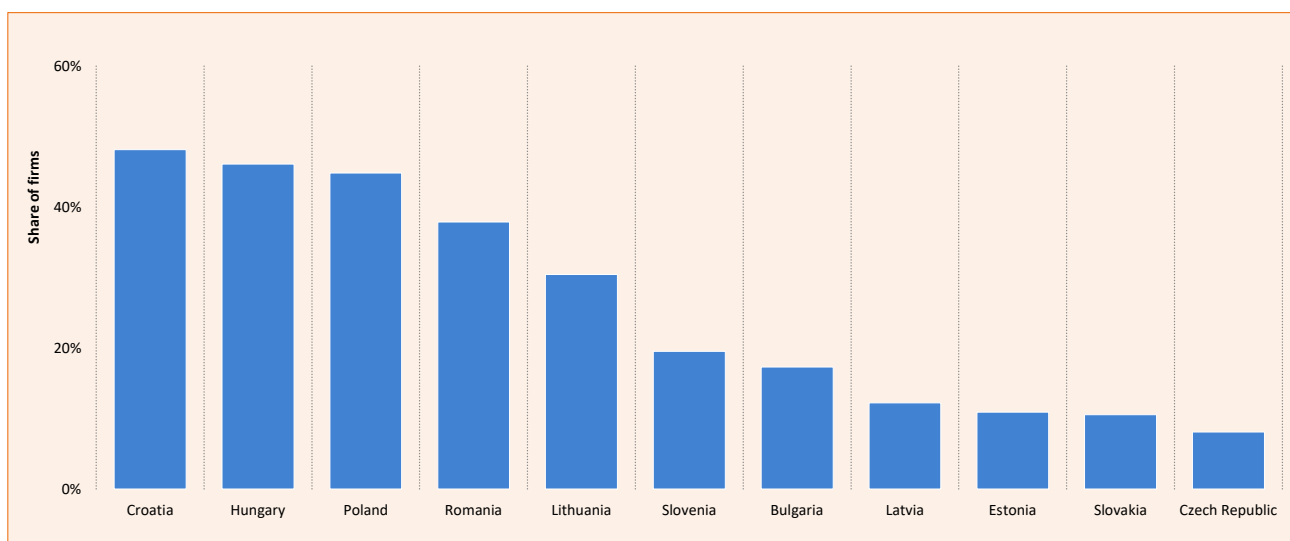
- A third (33%) of firms in CESEE using external finance received grants. This is considerably higher than the EU average (16%).
- Firms receiving grants in CESEE financed 36% of their investment in this way (versus 26% in the EU as a whole).
- There are large differences across the CESEE region, with the share of firms who received grants as part of their external financing being highest in Croatia (48%), Hungary (46%) and Poland (45%), and lowest in the Czech Republic (8%), Estonia (11%), Slovakia (11%) and Latvia (12%).



Q. What proportion of your total investment in the last financial year was financed by grants?

Base: All firms using external finance (excluding don't know and refused)
Base: All firms that received grants (excluding don't know and refused)

SHARE OF FIRMS WITH FINANCE FROM GRANTS BY COUNTRY



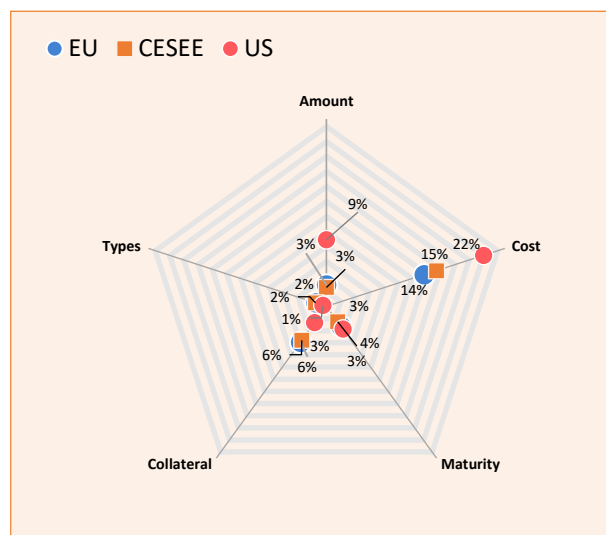
Q. What proportion of your total investment in the last financial year was financed by grants?

Base: All firms using external finance (excluding don't know and refused)
Base: All firms that received grants (excluding don't know and refused)

Access to finance

DISSATISFACTION WITH EXTERNAL FINANCE RECEIVED (% of firms)

- Except for the cost of the external finance obtained, no more than 6% of firms in CESEE are dissatisfied with any of the aspects of finance that the survey asked about.
- Nevertheless, there has been a sharp increase in the share of firms in CESEE that are dissatisfied with the cost of finance (up from 7% in EIBIS 2022 to 15% now). A similar increase is seen in the EU as a whole (up from 5% to 14%).
- In general, levels of dissatisfaction in CESEE are very similar to the EU average.



Q. How satisfied or dissatisfied are you with ...?

Base: All firms that used external finance in the last financial year (excluding don't know/refused responses)

DISSATISFACTION BY SECTOR AND SIZE (% of firms)

	Amount	Cost	Maturity	Collateral	Type
CESEE	3%	15%	3%	6%	2%
Manufacturing	1%	16%	1%	3%	0%
Construction	5%	18%	6%	6%	4%
Services	4%	19%	5%	8%	2%
Infrastructure	4%	12%	2%	8%	2%
SME	4%	20%	5%	8%	2%
Large	2%	12%	1%	4%	1%

- Even though overall levels of dissatisfaction with external finance received remain low, the levels of dissatisfaction with cost are much higher, across all sectors and size classes.
- The patterns of dissatisfaction are similar across sectors.
- SMEs express greater dissatisfaction than large firms, in relation to cost (20% versus 12%), the collateral (8% versus 4%) and maturity (5% versus 1%) of external finance.

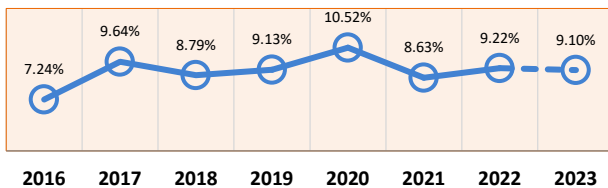
Q. How satisfied or dissatisfied are you with ...?

Base: All firms that used external finance in the last financial year (excluding don't know/refused responses)

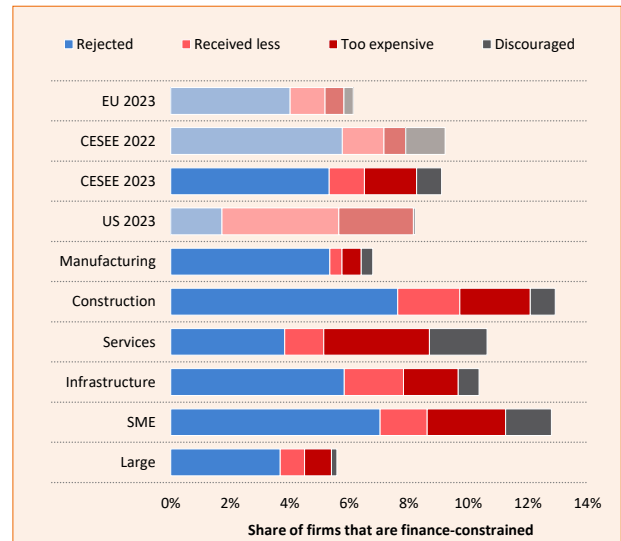
Access to finance

SHARE OF FINANCE-CONSTRAINED FIRMS

- The share of financially constrained firms in CESEE (9.1%) has remained stable compared to EIBIS 2022 and remains higher than the EU average (6.1%).
- The main constraint reported by CESEE firms is rejection (5.3%), followed by high borrowing costs (1.8%).
- The share of finance-constrained firms in CESEE is higher among construction firms (12.9%) than manufacturing firms (6.8%). It is also higher among SMEs than large firms (12.8% versus 5.6%).
- Romania (17.6%) and Latvia (15.0%) have the largest shares of financially constrained firms, driven by particularly high shares of rejection. The Czech Republic (3.4%) has the lowest share of financially constrained firms.

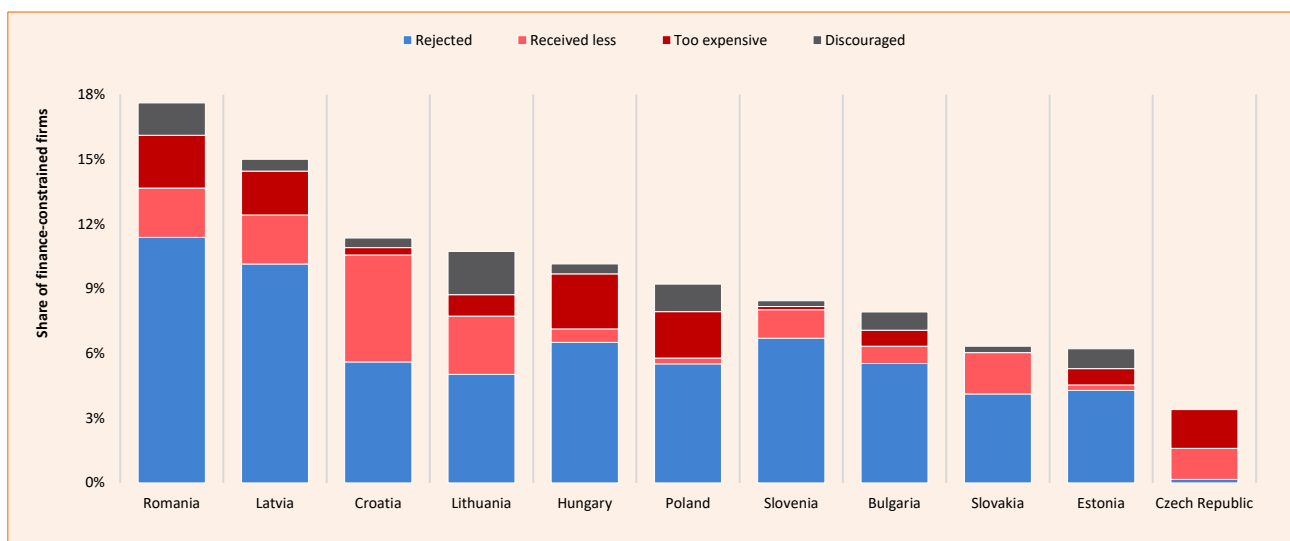


Base: All firms (excluding don't know/refused responses)



Finance-constrained firms include: those dissatisfied with the amount of finance obtained (received less), firms that sought external finance but did not receive it (rejected) and those that did not seek external finance because they thought borrowing costs would be too high (too expensive) or they would be turned down (discouraged).

SHARE OF FINANCE-CONSTRAINED FIRMS BY COUNTRY



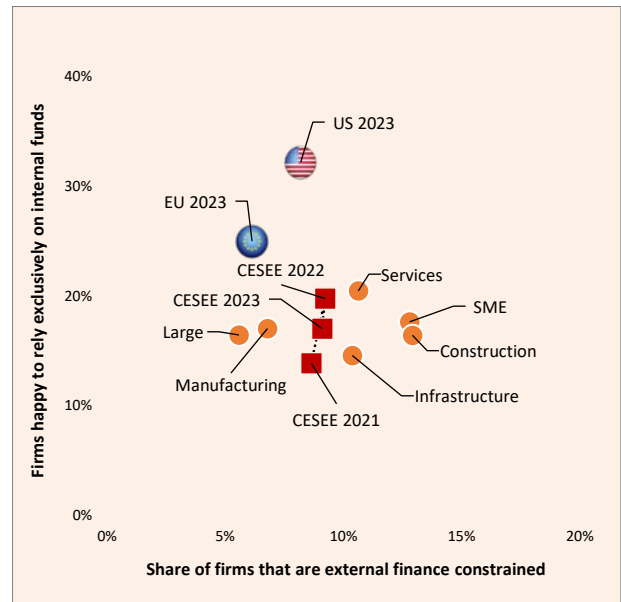
Finance-constrained firms include: those dissatisfied with the amount of finance obtained (received less), firms that sought external finance but did not receive it (rejected) and those that did not seek external finance because they thought borrowing costs would be too high (too expensive) or they would be turned down (discouraged).

Base: All firms (excluding don't know/refused responses)

Access to Finance

FINANCING CROSS

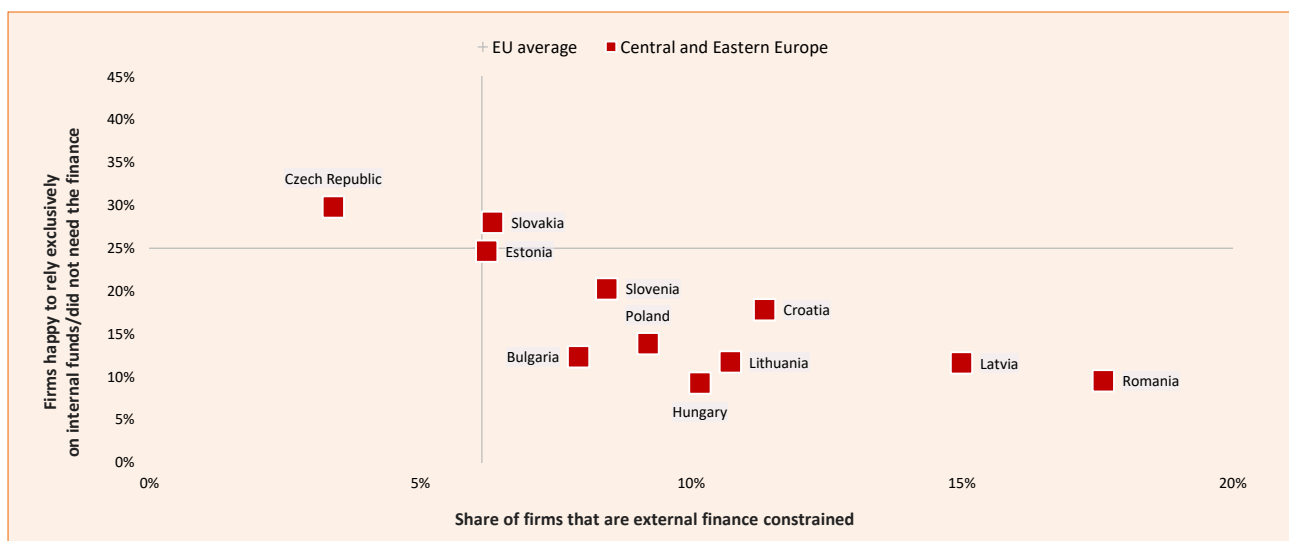
- While 9% of firms in CESEE can be considered finance constrained in EIBIS 2023, 17% were happy to rely on internal finance. This is similar to EIBIS 2022.
- Firms in CESEE are more likely to be finance constrained than those in the EU as a whole (9% versus 6%), while a smaller share is happy to rely on internal finance (17% versus 25%).
- Romania has the highest share of firms that are finance constrained, while its share of firms happy to rely exclusively on internal funds is one of the lowest.
- By contrast, the Czech Republic has the highest share of firms that are happy to rely on internal finance, and also has the lowest share of firms that are finance constrained.



Data derived from the financial constraint indicator and firms indicating main reason for not applying for external finance was 'happy to use internal finance/didn't need finance'

Base: All firms (excluding don't know / refused)

FINANCING CROSS



Data derived from the financial constraint indicator and firms indicating main reason for not applying for external finance was 'happy to use internal finance/didn't need finance'

The y-axis line crosses the x-axis on the EU average for EIBIS 2023.

Base: All firms (excluding don't know / refused). The grey lines indicate the EU average for EIBIS 2023.

EIBIS 2023: Country technical details

SAMPLING TOLERANCES APPLICABLE TO PERCENTAGES AT OR NEAR THESE LEVELS

The final database is based on a sample rather than the entire population of firms in CESEE, so the percentage results are subject to sampling tolerances. These vary with the size of the sample and the percentage figure concerned.

	US	EU	CESEE	Manufacturing	Construction	Services	Infrastructure	SME	Large	CESEE 2023 vs. CESEE 2022	Manuf vs. Constr	SME vs. Large
	(802)	(12030)	(4902)	(1503)	(971)	(1246)	(1155)	(4371)	(531)	(4902 vs 4897)	(1503 vs 971)	(4371 vs 531)
10% or 90%	3.9%	1.1%	1.5%	2.6%	3.5%	2.8%	2.8%	1.1%	2.7%	2.1%	4.1%	3.0%
30% or 70%	6.0%	1.8%	2.3%	3.9%	5.3%	4.2%	4.3%	1.7%	4.2%	3.2%	6.2%	4.5%
50%	6.5%	1.9%	2.5%	4.3%	5.8%	4.6%	4.7%	1.9%	4.5%	3.5%	6.8%	4.9%

GLOSSARY

Construction sector	Based on the NACE classification of economic activities: firms in group F (construction).
Infrastructure sector	Based on the NACE classification of economic activities: firms in groups D and E (utilities), group H (transportation and storage) and group J (information and communication).
Investment	A firm is considered to have invested if it spent more than EUR 500 per employee on investment activities with the intention of maintaining or increasing the company's future earnings.
Investment cycle	Based on the expected investment in current financial year compared to the last one, and the proportion of firms with a share of investment greater than EUR 500 per employee.
Large firms	Firms with at least 250 employees.
Manufacturing sector	Based on the NACE classification of economic activities: firms in group C (manufacturing).
Services sector	Based on the NACE classification of economic activities: firms in group G (wholesale and retail trade) and group I (accommodation and food services activities).
SMEs	Small and medium companies (firms with between five and 249 employees).

Note on how to read the results:

EIBIS 2023 overview presents the results of the survey run in 2023. Questions in the survey might point to “last financial year” (2022) or expectations for the current year (2023). The text and the footnote referring to the question will specify in each case which year is considered.

EIBIS 2023: Country technical details

The country overview presents selected findings based on telephone interviews with 4 902 firms in CESEE (carried out between April and July 2023).

BASE SIZES (*Charts with more than one base; due to limited space, only the lowest base is shown)

Base definition and page reference	US 2023	EU 2023	CESEE 2023/2022	Manufacturing	Construction	Services	Infrastructure	SME	Large
<i>*Chart with multiple bases — due to limited space, only the lowest base is shown.</i>									
All firms, p.6, p. 10, p. 26	802	12 030	4 902/4 897	1 503	971	1 246	1 115	4 371	531
All firms (excluding don't know/refused responses) p. 6	776	11 624	4 730/4 773	1 457	941	1 197	1 109	4 228	502
All firms that have invested in the last financial year (excluding don't know/refused responses), p. 7	692	10 147	4 047/ 3 847	1 262	794	1 002	971	3 556	491
All firms that have invested in the last financial year (excluding don't know/refused responses), p. 8	704	9 948	4 026/3 789	1 249	796	992	969	3 579	447
All firms (excluding "Company didn't exist three years ago" responses), p.9	802	12 015	4 898/4 892	1 501	970	1 245	1 155	4 368	530
All firms (excluding don't know/refused responses), p. 11	794	11 880	4 824/4 792	1 483	947	1 226	1 141	4 302	522
All firms (excluding don't know/refused responses), p. 12	782	11 812	4 820/NA	1 486	948	1 226	1 133	4 297	523
All firms (data not shown for those that said not an obstacle at all/don't know/refused), p. 13	802	12 030	4 902/4 897	1 503	971	1 246	1 115	4 371	531
All firms (excluding don't know/refused responses), p. 14 , p 15	800	12 008	4 888/4 897	1 503	968	1 241	1 149	4 358	530
All firms (excluding don't know/refused responses), p. 16	800	11 978	4 883/4 881	1 497	969	1 245	1 146	4 354	529
All firms (excluding don't know/refused/not applicable responses)*, p. 17	284	6 692	2 715/ NA	833	552	627	687	2 364	351
All firms (excluding don't know/refused responses), p. 18	797	11 918	4 864/ NA	1 483	967	1 239	1 148	4 342	522
All importers (excluding don't know/refused responses), p. 18	240	6 151	2 522/ NA	1 100	278	723	411	2 159	363
All firms (excluding don't know/refused responses)*, p. 19	717	10 139	3 864/4 552	1 296	744	951	855	3 393	471
All firms (excluding don't know/refused responses), p. 20	797	11 930	4 854/4 843	1 487	959	1 236	1 145	4 327	527
All firms (excluding don't know/refused responses), p. 21	789	11 944	4 865/4 854	1 491	962	1 233	1 152	4 341	524
All firms (excluding don't know/refused responses), p. 22	771	11 433	4 603/4 441	1 408	905	1 166	1 100	4 094	509
All firms (excluding don't know/refused responses), p. 23	800	11 956	4 871/4 870	1 489	964	1 241	1 150	4 342	529
All firms (excluding don't know/refused responses), p. 24	770	11 721	4 768/4 723	1 462	947	1 211	1 123	4 254	514
All firms (excluding don't know/refused responses), p. 25	791	11 836	4 809/4 745	1 468	966	1 222	1 127	4 295	514
All firms that have invested in the last financial year (excluding don't know/refused responses), p. 27	707	10 210	4 107/3 866	1 256	815	1 030	986	3 629	478
All firms (excluding don't know/refused responses), p.28	766	11 549	4 693/NA	1 440	942	1 179	1 105	4 191	502
All firms (excluding don't know/refused responses), p.29	780	11 738	4 805/4 796	1 482	946	1 216	1 134	4 284	521
All firms (excluding don't know/refused responses)*, p.30, p.31	801	12 009	4 896/4 885	1 502	969	1 246	1 155	4 366	530
All firms (data not shown for those that said not an obstacle at all/don't know/refused), p. 32, p. 33	802	12 030	4 902/4 897	1 503	971	1 246	1 115	4 371	531
All firms that invested in the last financial year (excluding don't know/refused responses), p. 34, p. 35	697	10 517	4 221/4 010	1 304	826	1 055	1 016	3 715	506
All firms that received grants (excluding don't know and refused), p. 36	265	4 269	1 783/1 671	589	322	368	492	1 524	259
All firms that used external finance in the last financial year (excluding don't know/refused responses)*, p. 37	264	4 184	1 728/1 614	579	309	359	470	1 470	258
All firms (excluding don't know/refused responses), p. 38	729	11 544	4 704/4 685	1 146	917	1 195	1 120	4 196	508
All firms (excluding don't know/refused responses)*, p. 39	729	11 544	4 902/4 897	1 503	971	1 246	1 115	4 371	531



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CESEE

Overview

EIB INVESTMENT SURVEY

2023