

Results of the **BUSINESS SURVEY** **2021**

Situation and expectations of companies with German participation in the Baltic States in
2021

Since 2006, the German Chambers of Commerce, delegations and representative offices of German business in the region of Central and Eastern Europe (CEE) have been conducting a coordinated business survey - initially in 14, in 2021 in 16 countries.

The "AHK Business Survey CEE" primarily examines

- » the assessment of the economic situation and the economic outlook, as well as
- » the assessment of the quality of the location by the AHK members operating there. In recent years, however, investors from other countries have increasingly been included in the survey in several countries.

Note:

The sample size in the three Baltic states (EE, LT, LV) and Slovenia (SI) was significantly smaller than in other countries, so the results from these countries are subject to greater uncertainty and should be interpreted accordingly.

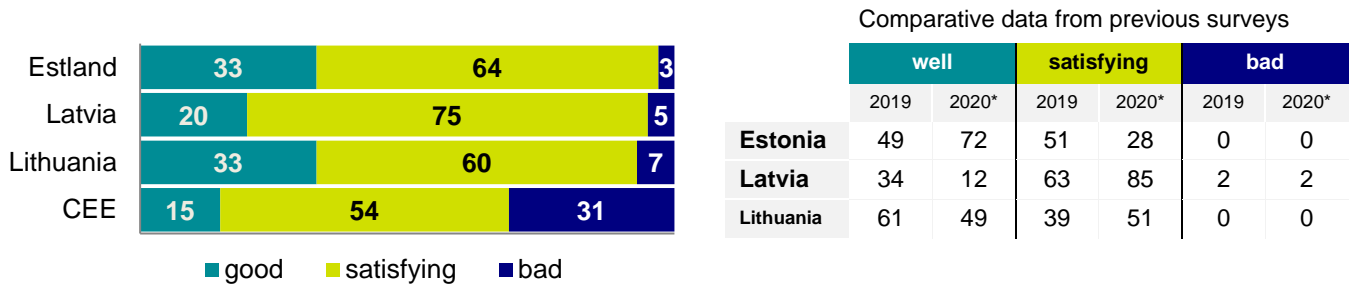
*Results from 2020 are also marked with an *, as the survey was not publicly analysed for representative reasons in the wake of the Covid-19 pandemic.*

Statistical information can be found in the appendix

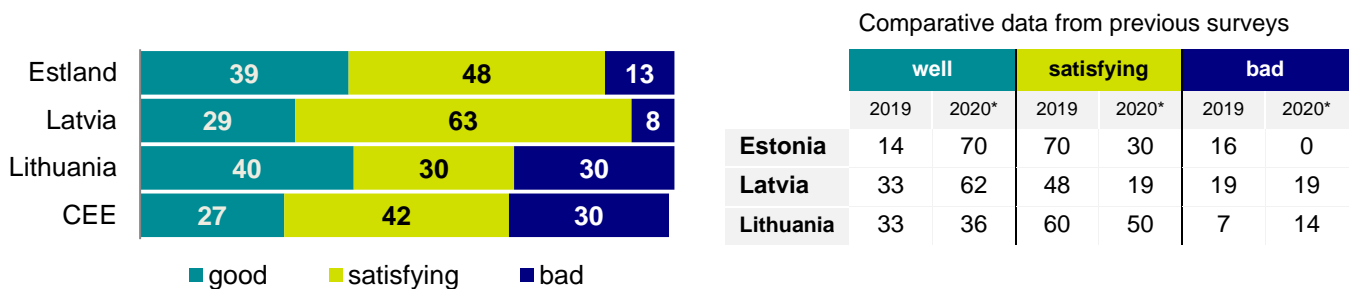
PART A: BUSINESS CLIMATE

1. Situation and expectations

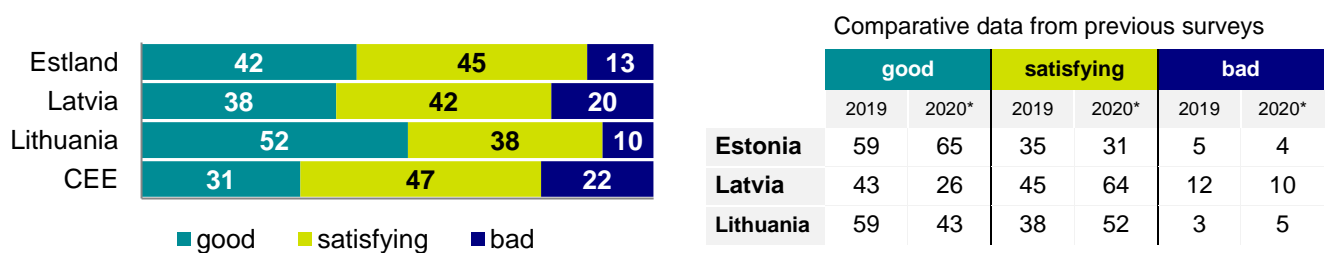
1.1 Assessment of the current economic situation (in %)



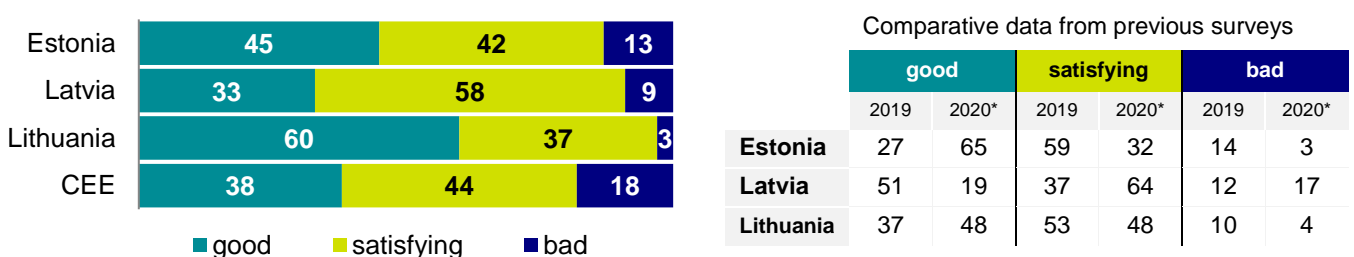
1.2 Assessment of the economic outlook in the current year compared to the previous year (in %)



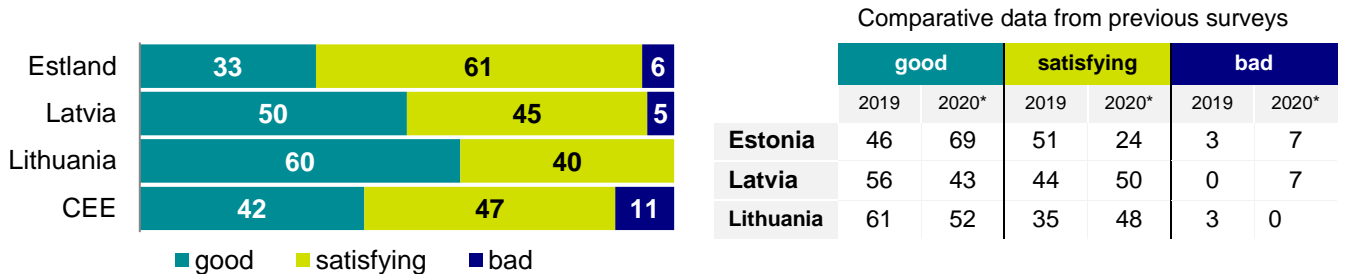
1.3 Assessment of the current situation in one's own industry (in %)



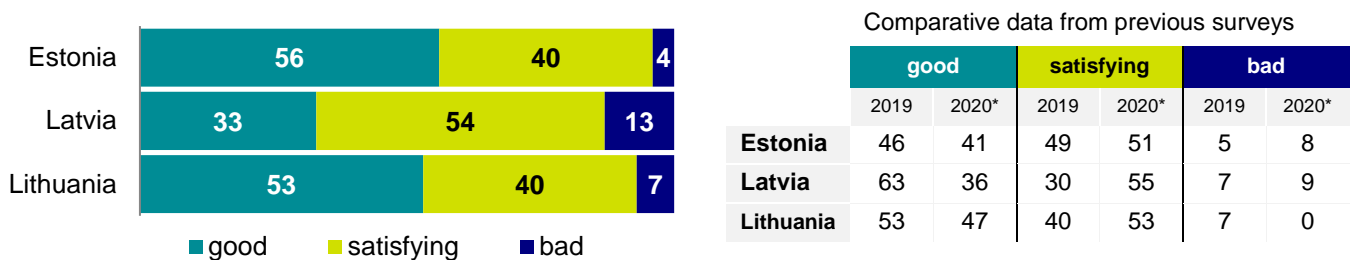
1.4 Expected further development in own industry in the current year (in %)



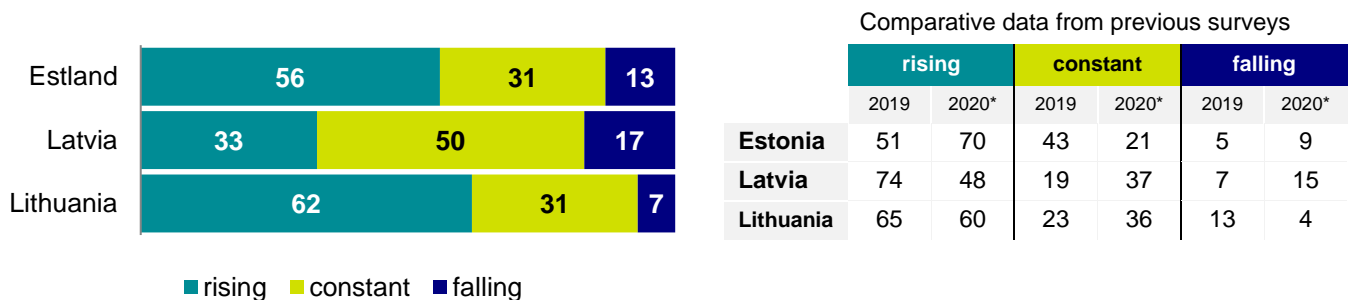
1.5 Assessment of the current business situation of the own company (in %)



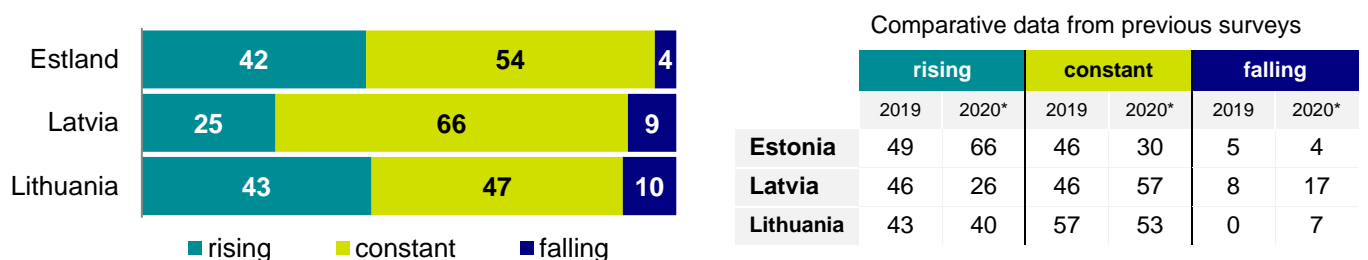
1.6 Expected development of the business situation of the own company in the current year (in %)



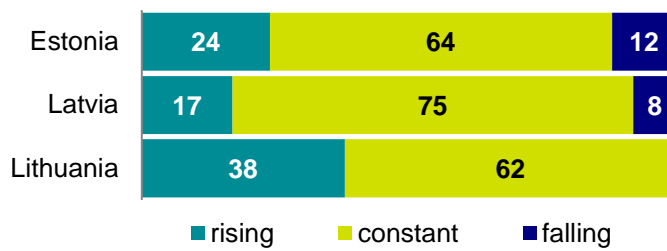
1.7 Expected development of turnover in the current year (in %)



1.8 Expected change in export activity in the current year (in %)



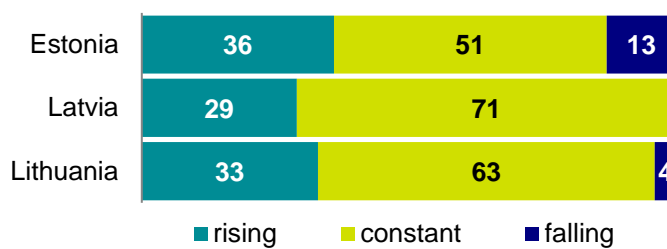
1.9 Expected change in the number of employees in the current year (in %)



Comparative data from previous surveys

	rising		constant		falling	
	2019	2020*	2019	2020*	2019	2020*
Estonia	54	40	38	50	8	10
Latvia	44	27	47	56	9	17
Lithuania	45	43	48	57	6	0

1.10 Current propensity to invest (in %)



Comparative data from previous surveys

	rising		constant		falling	
	2019	2020*	2019	2020*	2019	2020*
Estonia	38	56	54	38	8	6
Latvia	53	36	42	50	5	14
Lithuania	58	47	39	51	3	2

Expected change in labour costs compared to other costs in the current year (in %)

	Ø
Estonia	+5,89%
Latvia	+3,15%
Lithuania	+5,85%

Comparative data from previous surveys

	Ø in 2019	Ø in 2020
Estonia	+8,31%	+7,8%
Latvia	+7,47%	+5,3%
Lithuania	+8,33%	+4,3%

PART B: INVESTMENT CONDITIONS

3. Evaluation of location criteria

Rating scale: Satisfaction with location criteria: 1= very good to 5 = poor.

Compared to the previous year (>0.1):

improved

unchanged

worsened

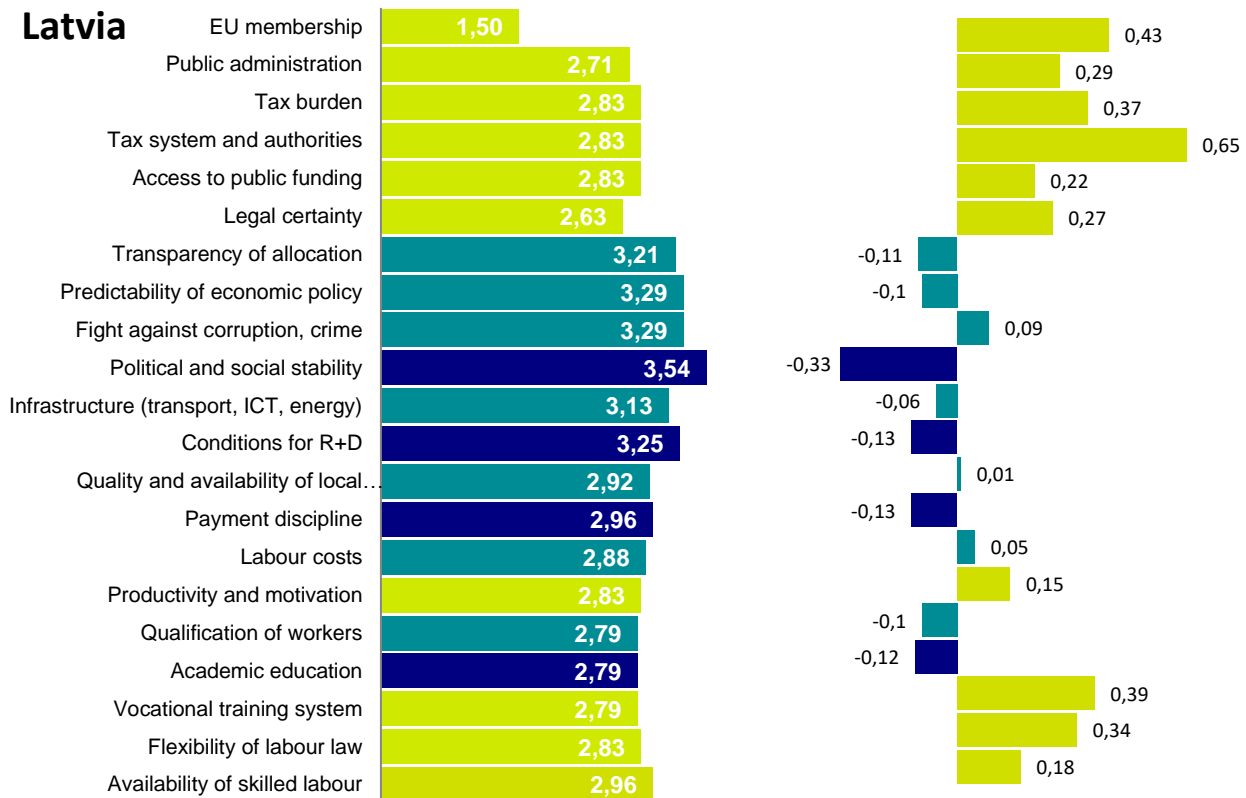
Lithuania



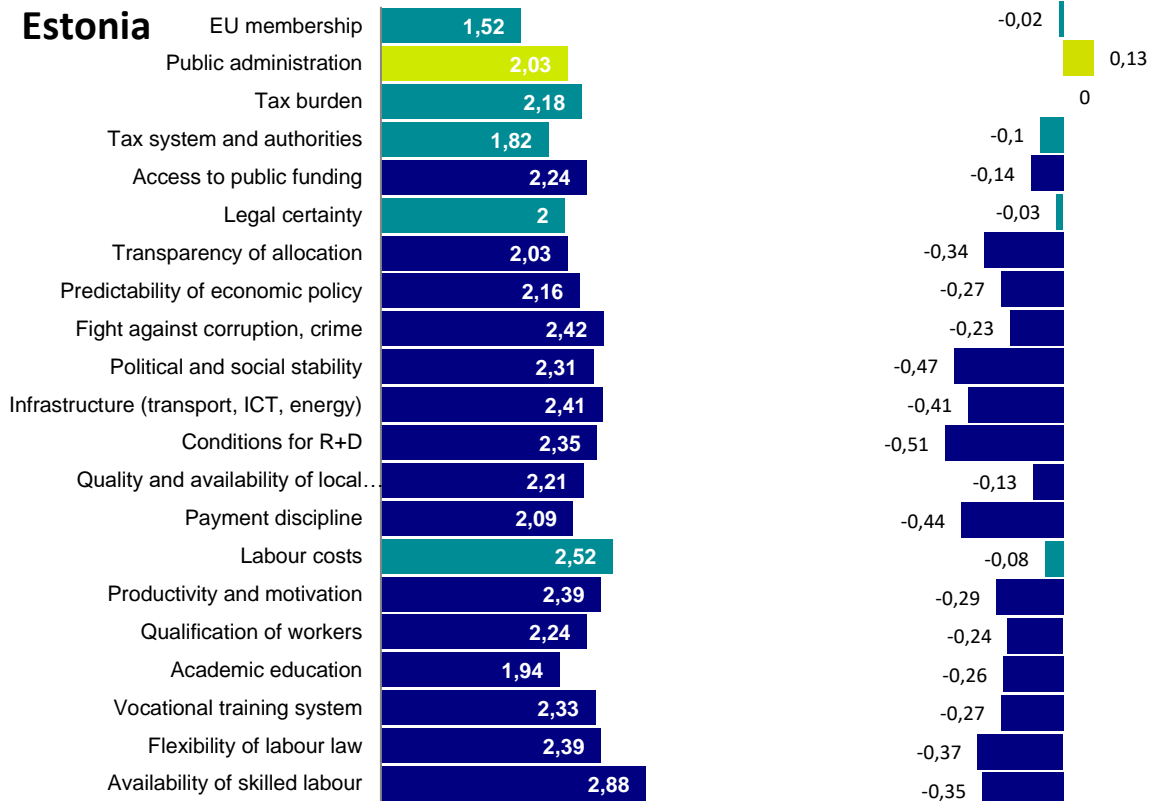
CEE



Latvia



Estonia

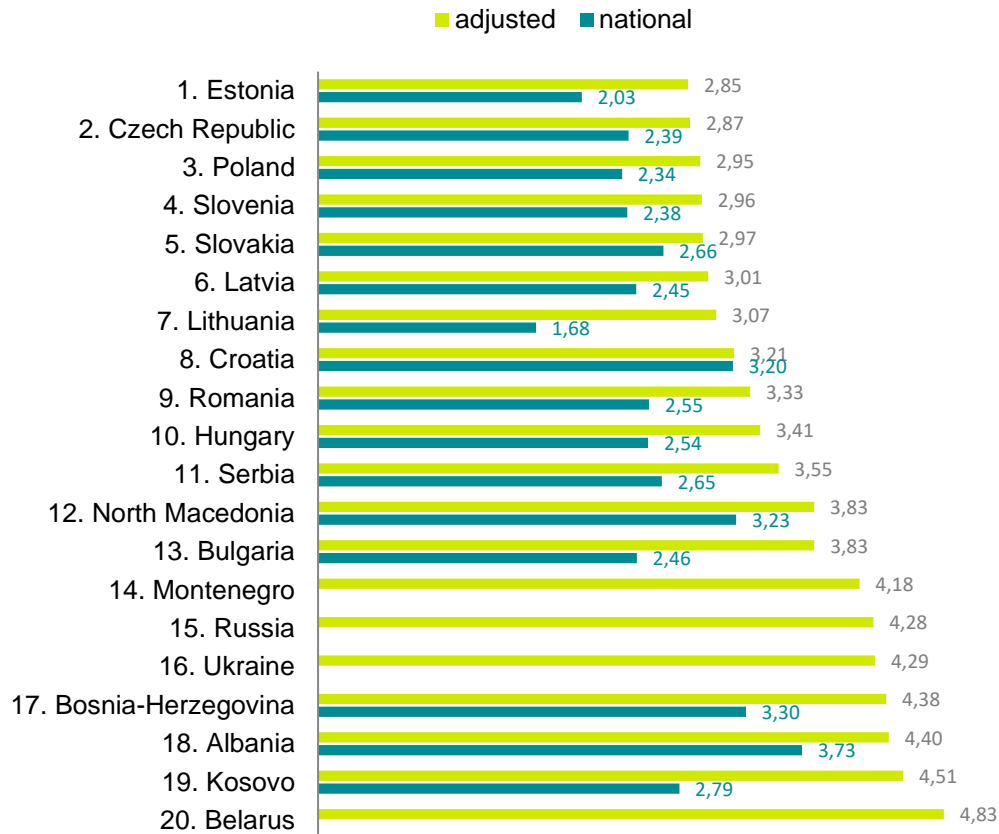


Location attractiveness in international comparison (CEE countries)

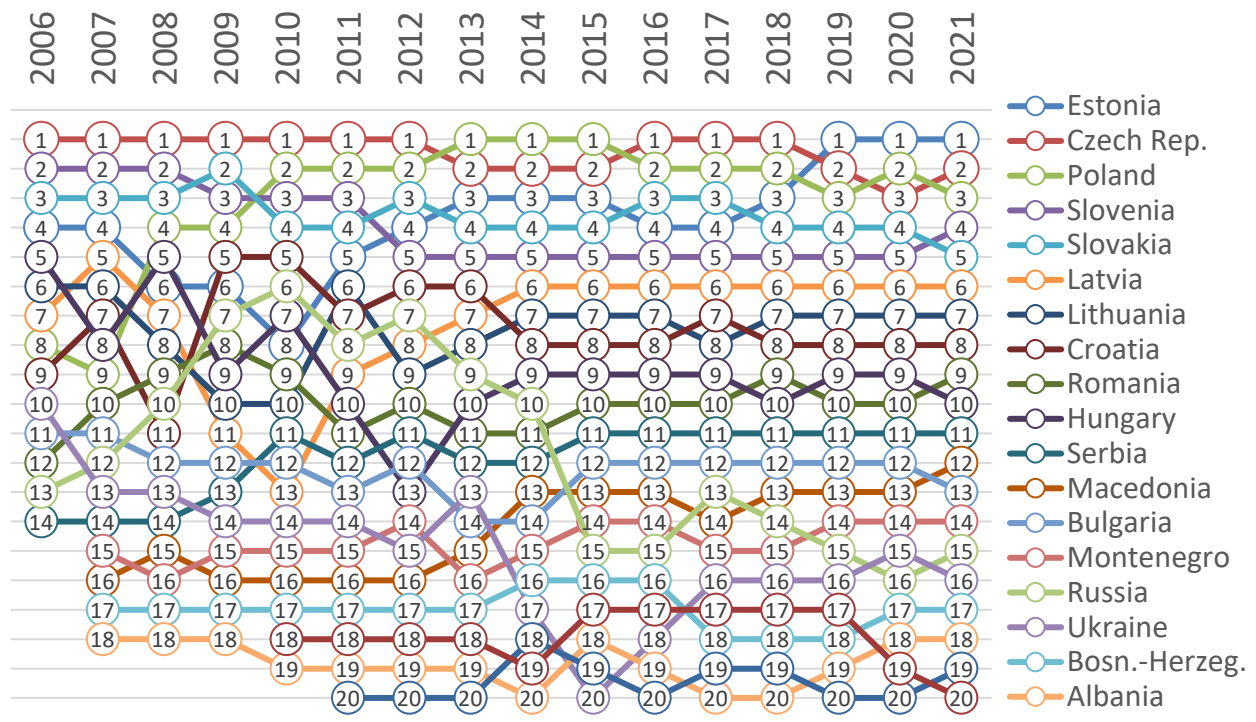
- Cumulative view from the perspective of the companies operating in the CEE countries.

- Adjusted value, self-assessment subtracted.

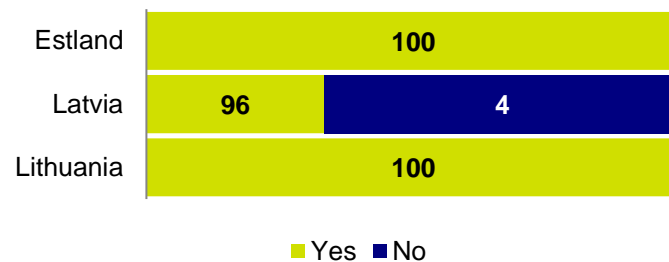
Rating scale: Attractiveness of the country as an investment location: 1= very attractive to 6 = not attractive at all



Location Attractiveness for Investments: 2006-2021



Would you choose your current country as an investment location again today? (in %)



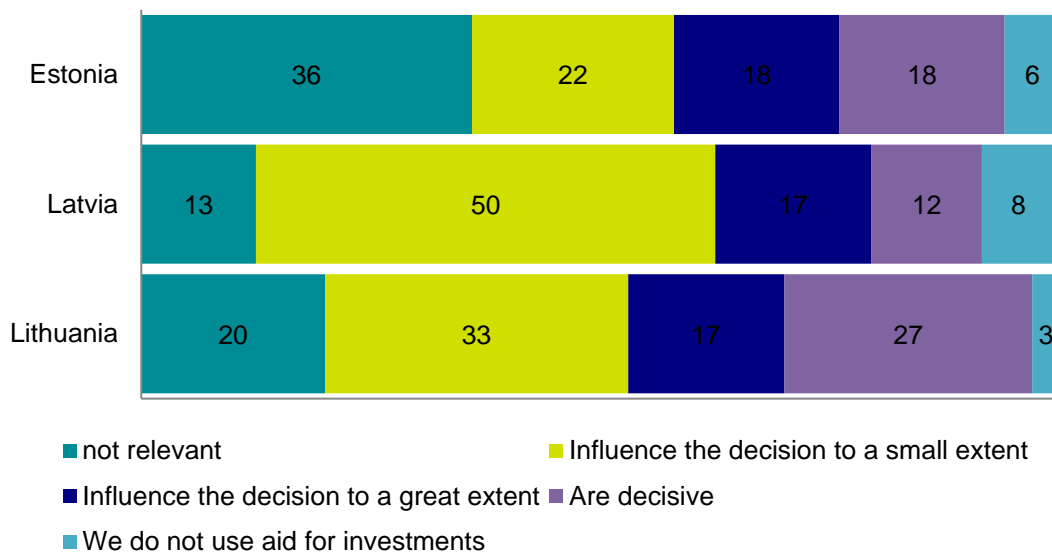
Individual considerations of the attractiveness of the location

Rating scale: Attractiveness of the country as an investment location

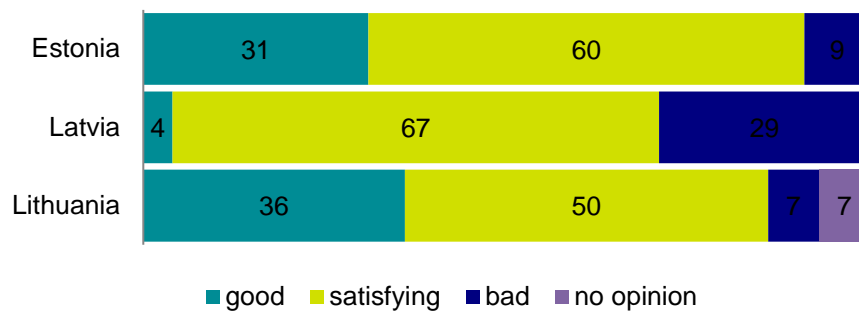
1= very good to 6 = very poor

<i>survey-country ►</i> ▼ <i>country assessed</i>	CEE	Estonia	Lithuania	Latvia
Albania	4,40	4,57	4,58	3,85
Bosnia-Herzegovina	4,38	4,31	4,33	3,64
Bulgaria	3,83	4,07	3,79	3,85
Belarus	4,83	4,44	5,39	4,71
Montenegro	4,18	4,47	4,25	4,31
Czech Republic	2,87	3,40	3,13	3,27
Estonia	2,85	2,03	1,96	2,35
Croatia	3,21	3,29	3,00	3,14
Hungary	3,41	3,75	3,18	3,57
Kosovo	4,51	3,88	4,17	3,62
Lithuania	3,07	2,76	1,68	2,68
Latvia	3,01	2,92	2,08	2,45
North Macedonia	3,83	3,59	3,82	3,60
Poland	2,95	3,35	2,43	3,31
Romania	3,33	3,89	3,50	3,71
Serbia	3,55	4,00	4,40	3,73
Russia	4,28	4,88	5,39	4,50
Slovenia	2,96	3,35	3,31	3,21
Slovakia	2,97	3,68	2,93	3,53
Ukraine	4,29	4,64	4,50	4,33

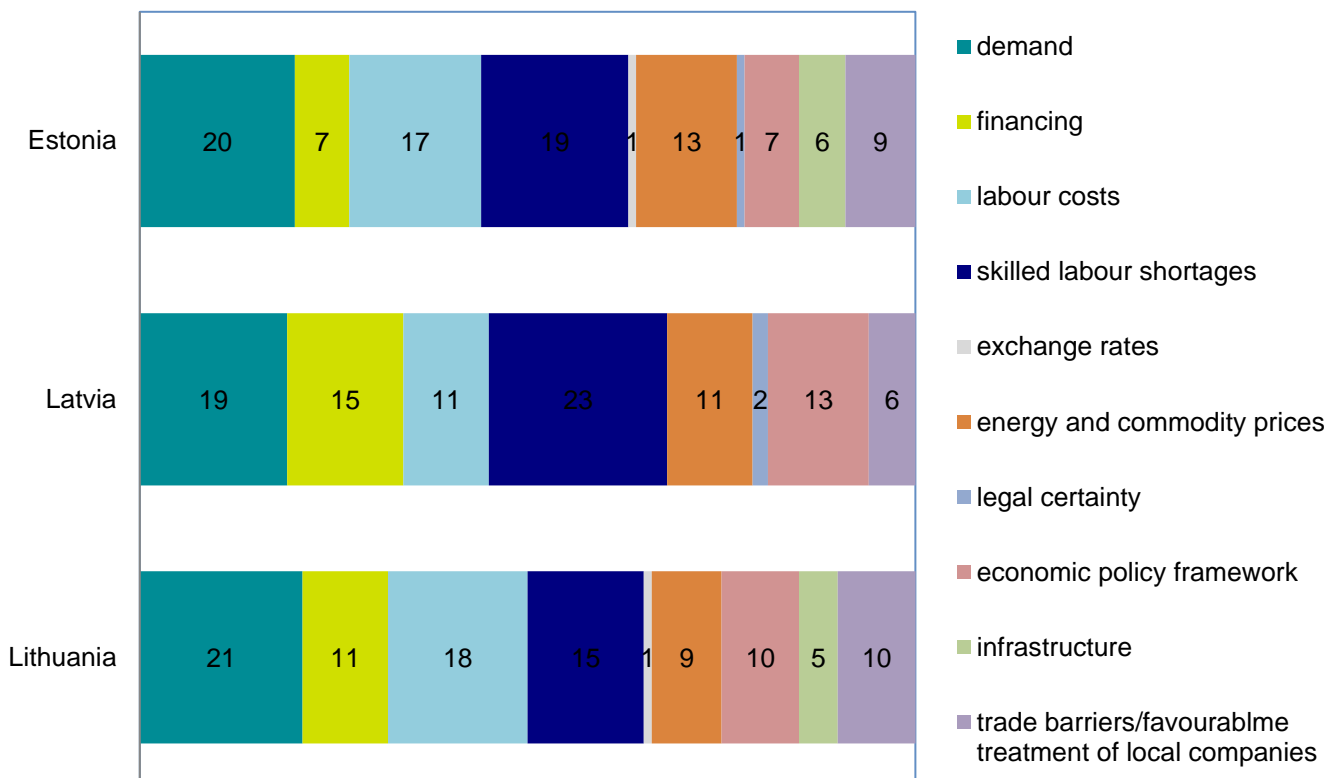
What influence does the granting of aid from EU funds have on your investment decisions? (in %)



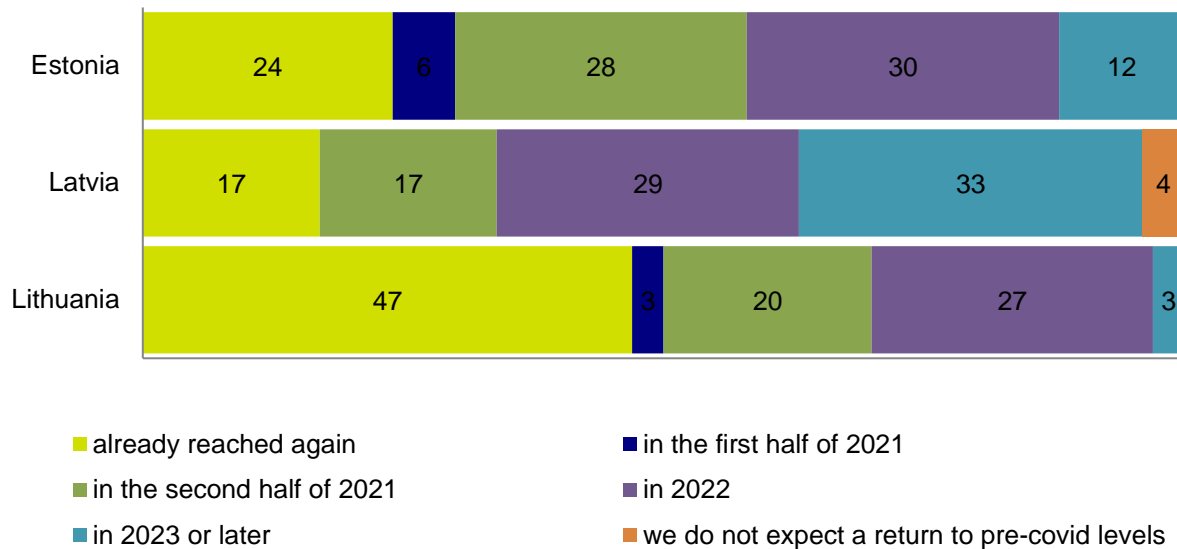
Overall, how would you rate the work of the current government? (in %)



Where do you see the greatest risks for the economic development of your company in the next twelve months? (in %)

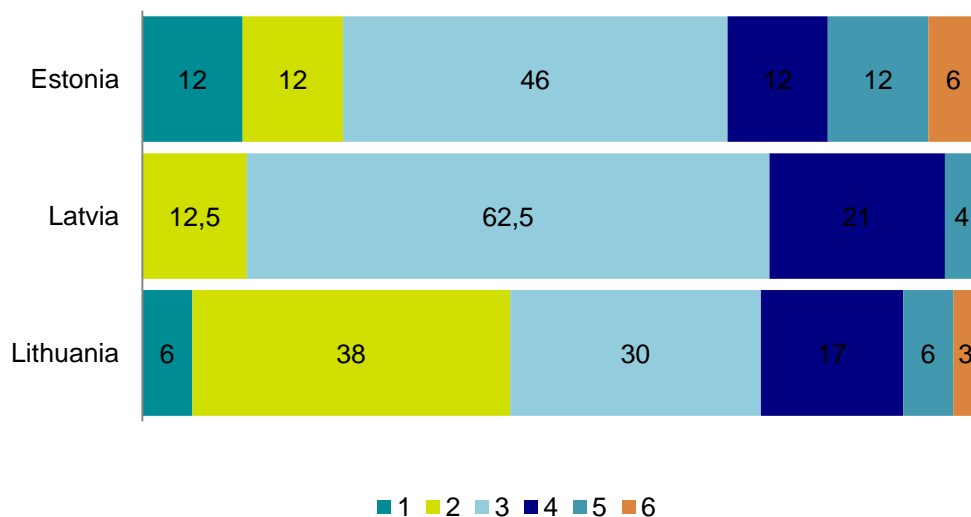


When do you expect a return to your company's "pre-Corona" turnover? (in %)

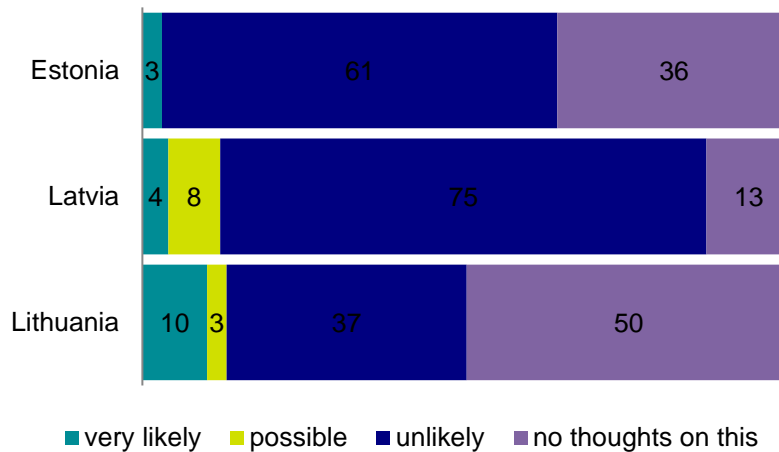


How satisfied were/are you with the measures taken by the government to mitigate the economic consequences of the Corona pandemic? (in %)

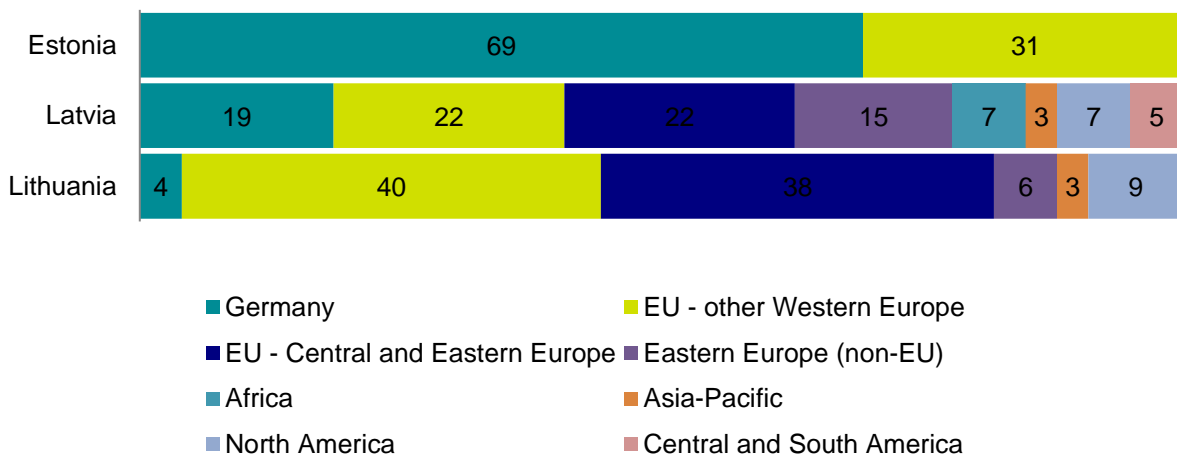
(1 - very satisfied; 6 -very dissatisfied)



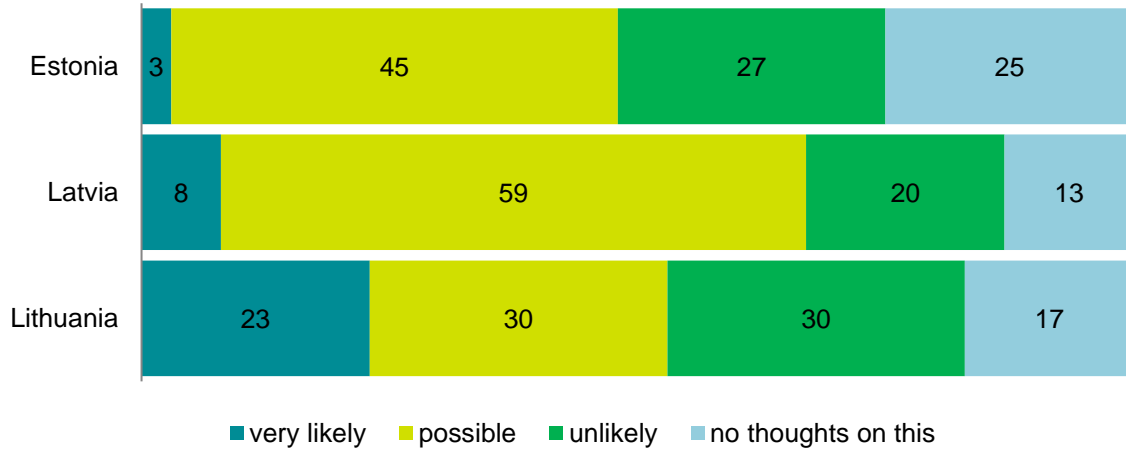
Is your company / group of companies planning to relocate its own sites in the foreseeable future? (in %)



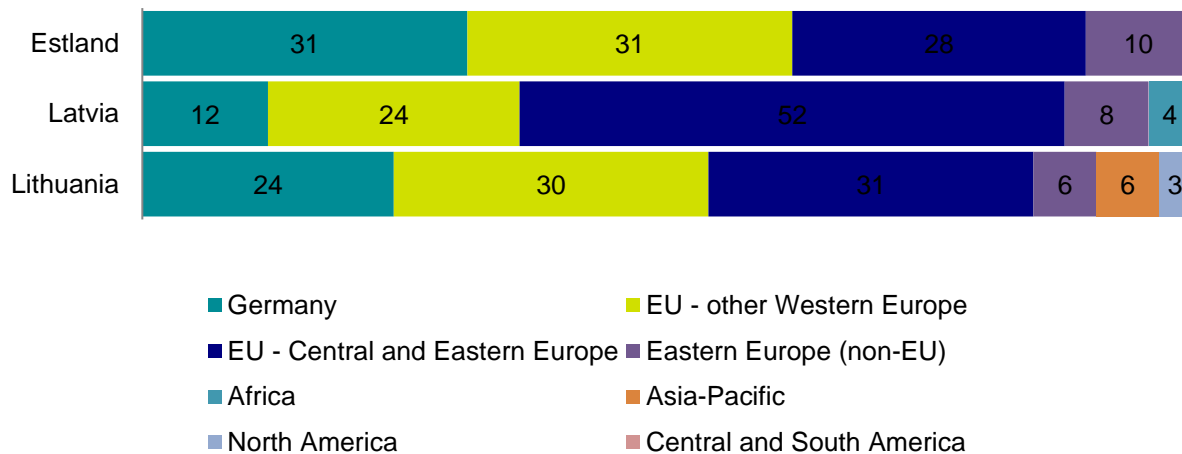
What are the likely target regions? (in %)



Is your company / group of companies planning to replace or supplement existing suppliers in the foreseeable future? (in %)



New suppliers from probably which regions? (in %)



Survey details

Survey period

- 15 March - 16 April 2021

Survey format:

- Online via common platform of all 16 countries.
-

Participants

Participating countries and number of participants 2021:

AL	Albania	48
BA	Bosnia-Herzegovina	66
BG	Bulgaria	60
CZ	Czech Republic	129
EE	Estonia	33
HR	Croatia	122
HU	Hungary	206
KS	Kosovo	85
LT	Lithuania	30
LV	Latvia	24
MK	North Macedonia	49
PL	Poland	241
RO	Romania	85
RS	Serbia	128
SI	Slovenia	32
SK	Slovakia	116
CEE	in total	1 454

Statistical references

Average of the region / CEE

- » "CEE region" refers to the 16 countries participating in the survey (see above).
- » Unless otherwise stated, "regional average" or "CEE average" means the arithmetic mean of the total results for the participating countries.
- » For some questions, the number of countries included in the CEE average is less than 16, unless the question in question was asked in all countries.