

# Results of the **BUSINESS SURVEY** **2023**

Situation and expectations of companies with German participation in the Baltic States in  
2023

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 2022 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:*

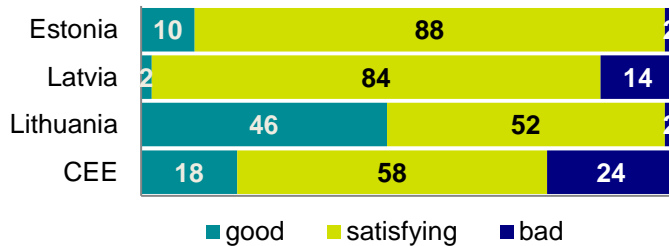
*Results from 2022 are also marked with an \*, as the survey was not publicly analysed for representative reasons in the wake of the Covid-19 pandemic.*

*Statistical information can be found in the appendix*

## PART A: BUSINESS CLIMATE

# Situation and expectations

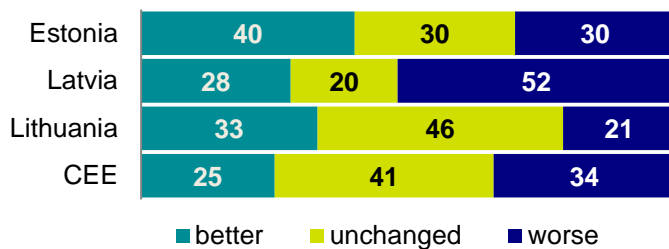
### Assessment of the current economic situation (in %)



#### Comparative data from previous surveys

	good		satisfying		bad	
	2021	2022*	2021	2022*	2021	2022*
Estonia	72	24	28	72	0	4
Latvia	12	5	85	90	2	5
Lithuania	49	29	51	63	0	8

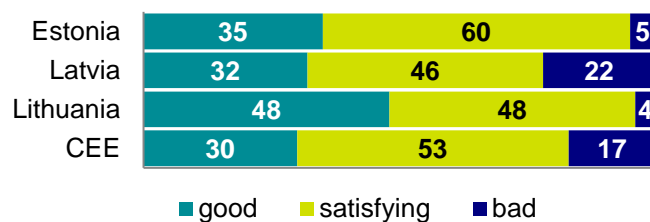
### Assessment of the economic outlook in the current year compared to the previous year (in %)



#### Comparative data from previous surveys

	better		unchanged		worse	
	2021	2022*	2021	2022*	2021	2022*
Estonia	70	10	30	45	0	45
Latvia	62	5	19	45	19	50
Lithuania	36	8	50	20	14	72

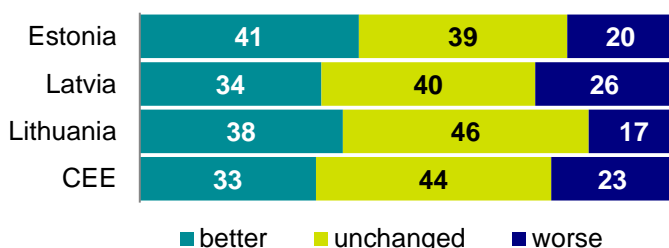
### Assessment of the current situation in one's own industry (in %)



#### Comparative data from previous surveys

	good		satisfying		bad	
	2021	2022*	2021	2022*	2021	2022*
Estonia	65	32	31	56	4	12
Latvia	26	30	64	60	10	10
Lithuania	43	25	52	62	5	13

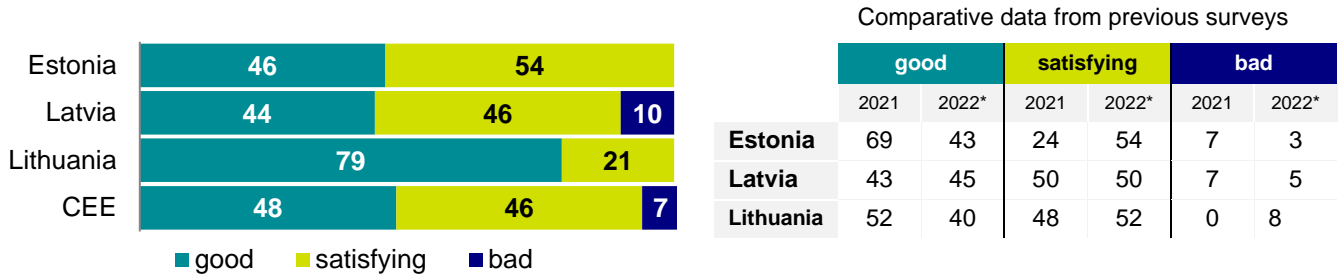
### Expected further development in own industry in the current year (in %)



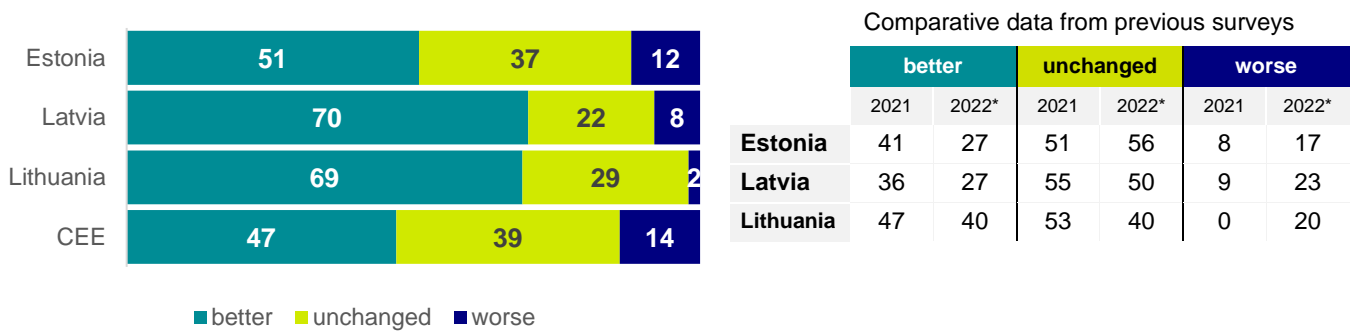
#### Comparative data from previous surveys

	better		unchanged		worse	
	2021	2022*	2021	2022*	2021	2022*
Estonia	65	13	32	50	3	37
Latvia	19	20	64	30	17	50
Lithuania	48	8	48	58	4	34

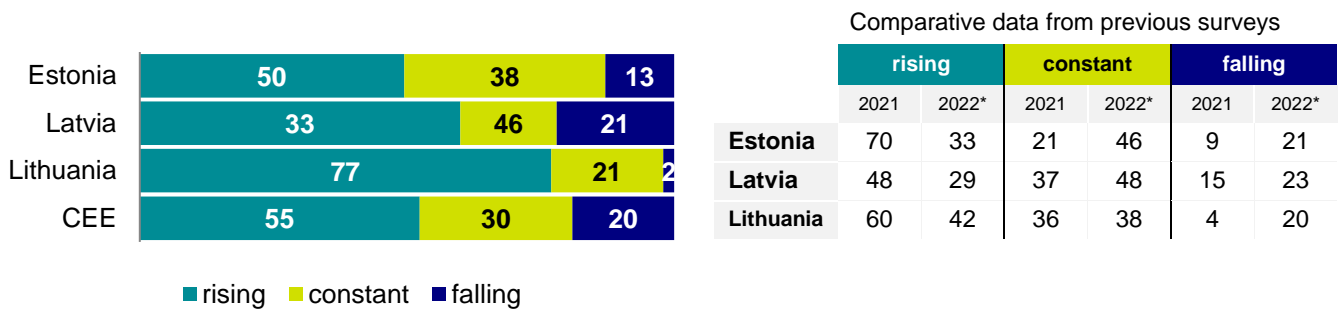
## Assessment of the current business situation of the own company (in %)



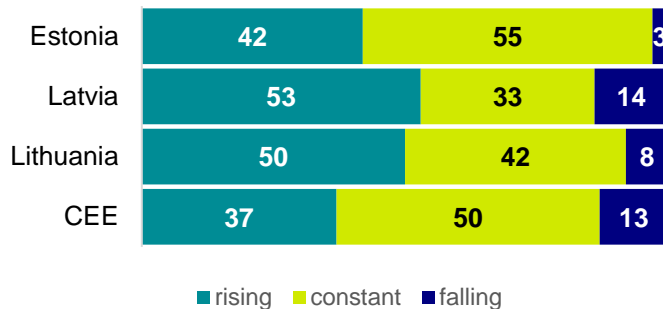
## Expected development of the business situation of the own company in the current year (in %)



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



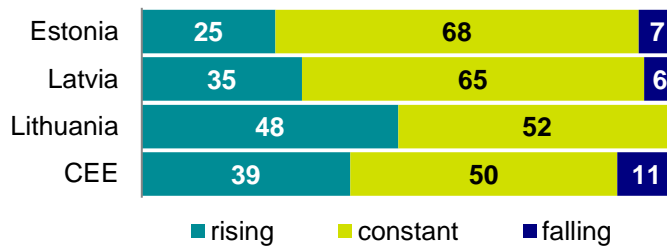
## Expected change in export activity in the current year (in %)



Comparative data from previous surveys

	rising		constant		falling	
	2021	2022*	2021	2022*	2021	2022*
Estonia	66	29	30	63	4	8
Latvia	26	45	57	40	17	15
Lithuania	40	21	53	67	7	12

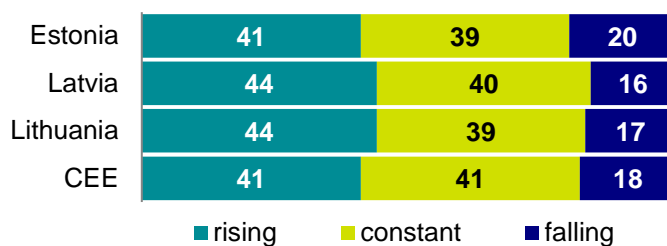
## Expected change in the number of employees in the current year (in %)



Comparative data from previous surveys

	rising		constant		falling	
	2021	2022*	2021	2022*	2021	2022*
Estonia	40	35	50	66	10	0
Latvia	27	27	56	68	17	5
Lithuania	43	42	57	50	0	8

## Current propensity to invest (in %)



Comparative data from previous surveys

	rising		constant		falling	
	2021	2022*	2021	2022*	2021	2022*
Estonia	56	17	38	69	6	14
Latvia	36	32	50	36	14	32
Lithuania	47	32	51	64	2	4

## PART B: INVESTMENT CONDITIONS

### Evaluation of location criteria

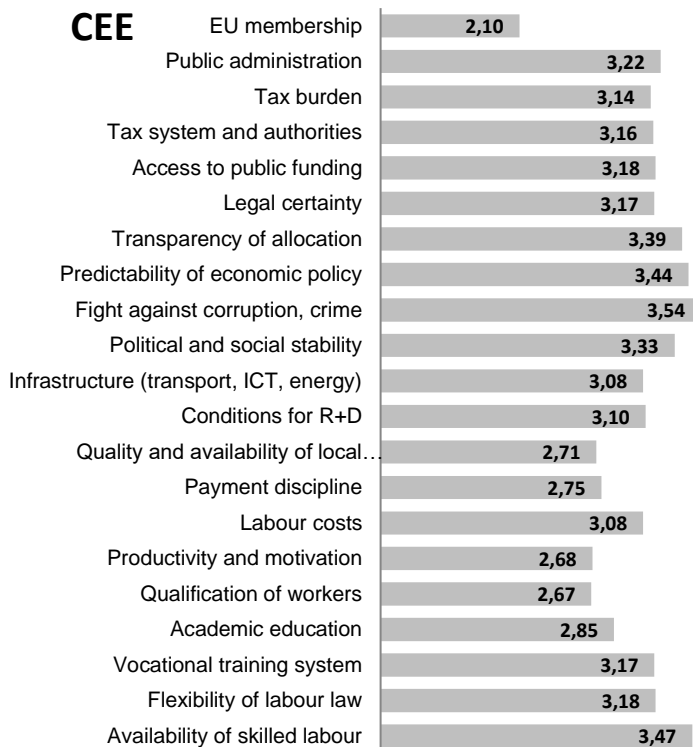
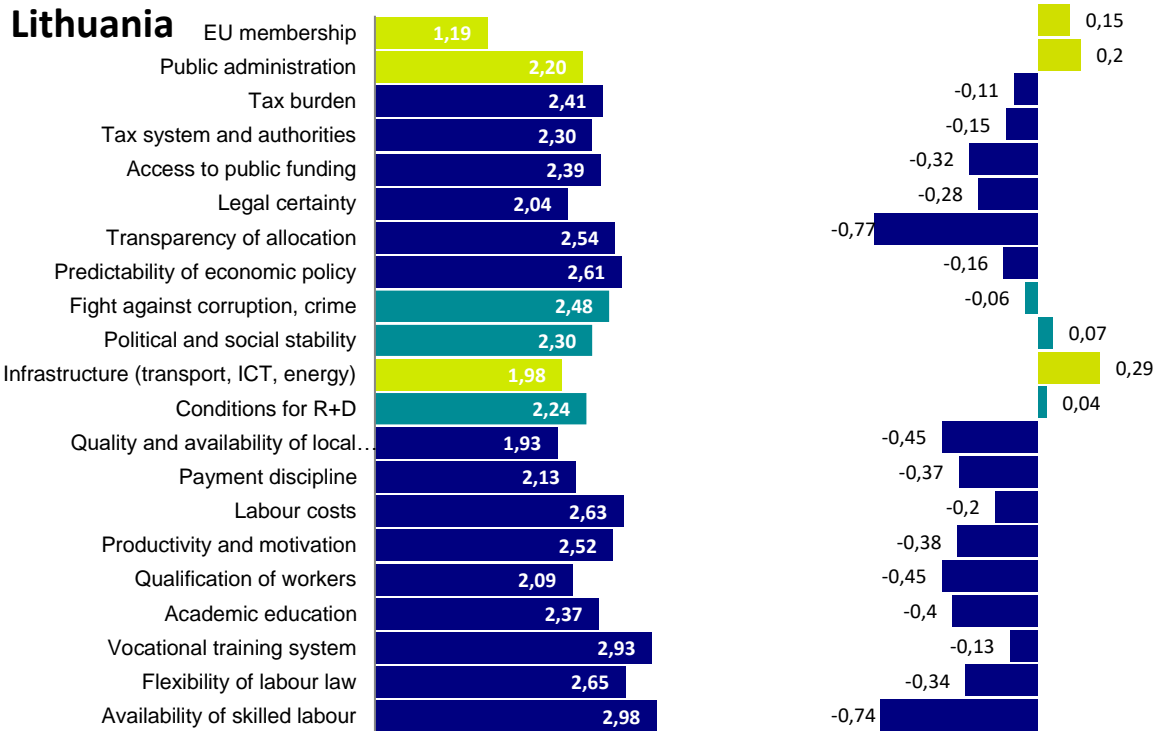
Rating scale: Satisfaction with location criteria: 1= very good to 5 = poor.

Compared to the previous year (>0.1):

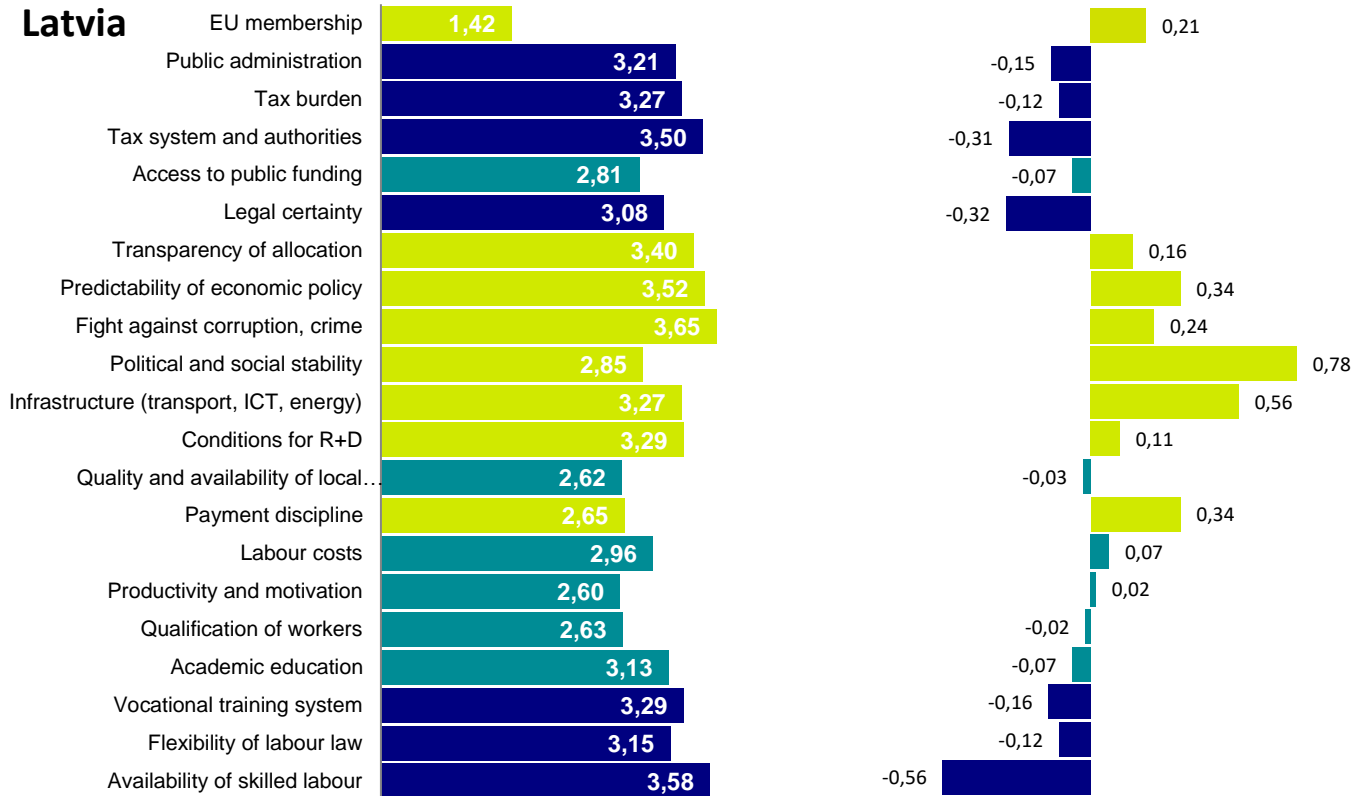
improved

unchanged

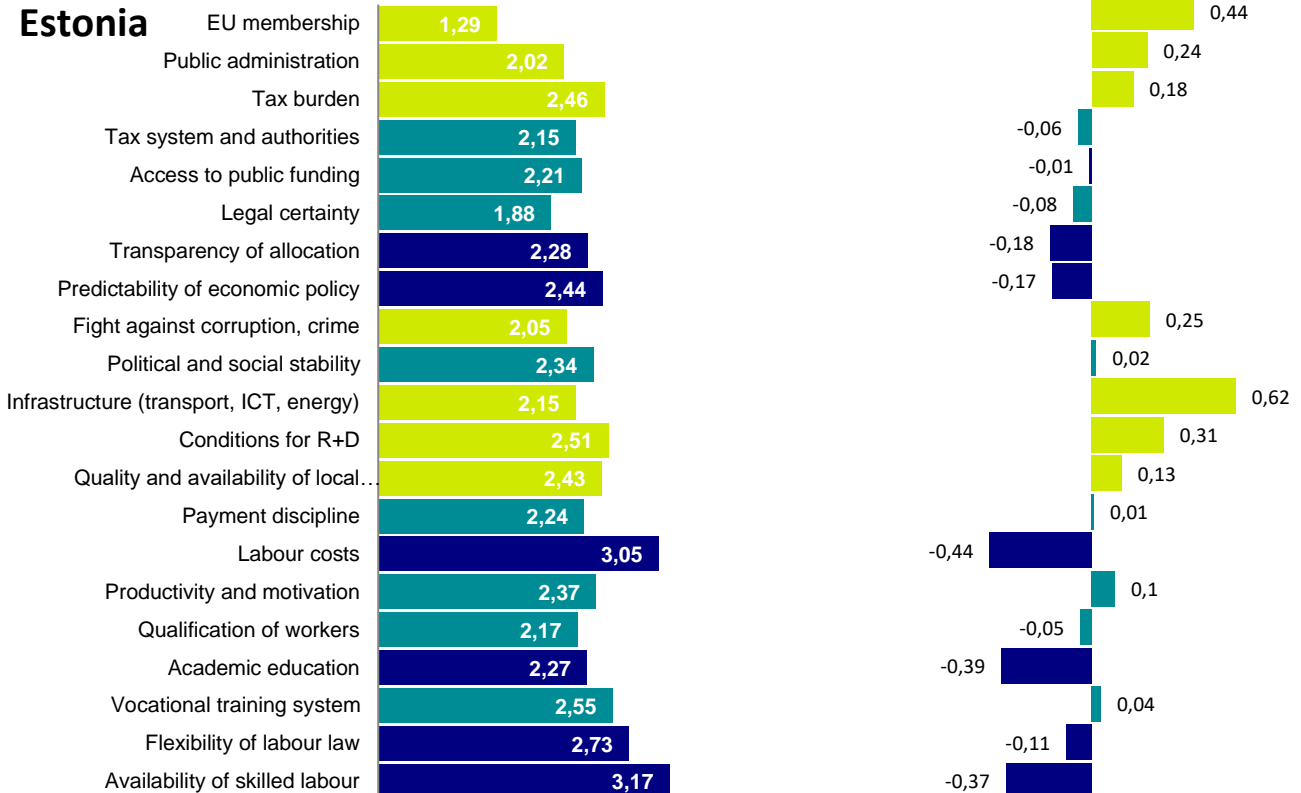
worsened



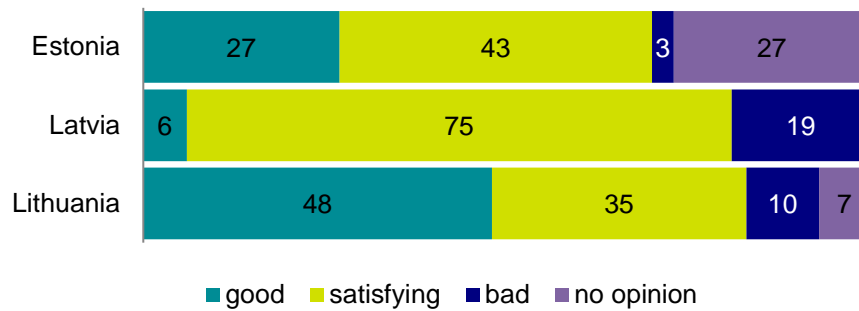
## Latvia



## Estonia

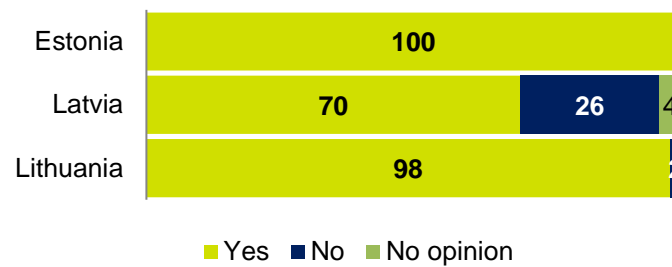


### Overall, how would you rate the work of the current government? (in %)



### 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 countries as an investment location

1= very good to 6 = very poor

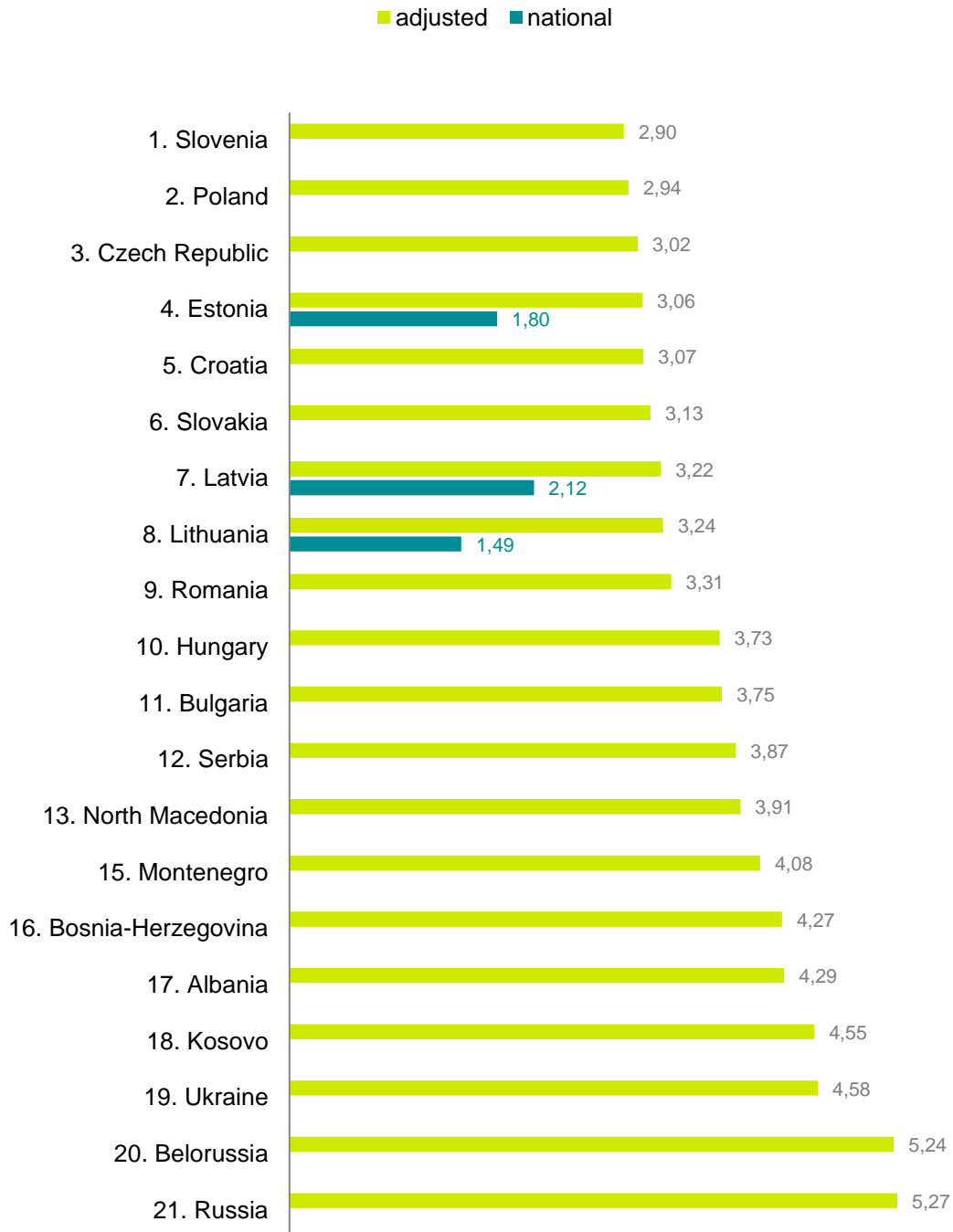
<i>survey-country ►</i>				
▼ <i>country assessed</i>	<b>CEE</b>	<b>Estonia</b>	<b>Lithuania</b>	<b>Latvia</b>
Albania	4,29	4,14	4,33	4,00
Bosnia-Herzegovina	4,27	4,00	4,27	4,33
Bulgaria	3,75	3,57	3,58	3,53
Belorussia	5,24	5,59	5,97	5,83
Montenegro	4,08	3,91	4,41	4,28
China	4,14	4,85	5,35	4,80
Czech Republic	3,02	2,89	2,24	2,30
Estonia	3,06	1,80	1,64	1,66
Croatia	3,07	2,82	2,40	2,41
Hungary	3,73	3,75	3,97	4,37
Kosovo	4,55	4,35	4,50	4,33
Lithuania	3,24	2,41	1,49	2,15
Latvia	3,22	2,38	1,97	2,12
Noth Macedonia	3,91	3,91	3,36	4,00
Poland	2,94	2,45	1,41	2,14
Romania	3,31	3,89	2,70	3,42
Serbia	3,87	4,04	4,26	4,06
Russia	5,27	5,68	6,00	6,00
Slovenia	2,90	3,08	2,71	2,72
Slovakia	3,13	3,12	2,55	2,94
Ukraine	4,58	4,55	3,36	5,26



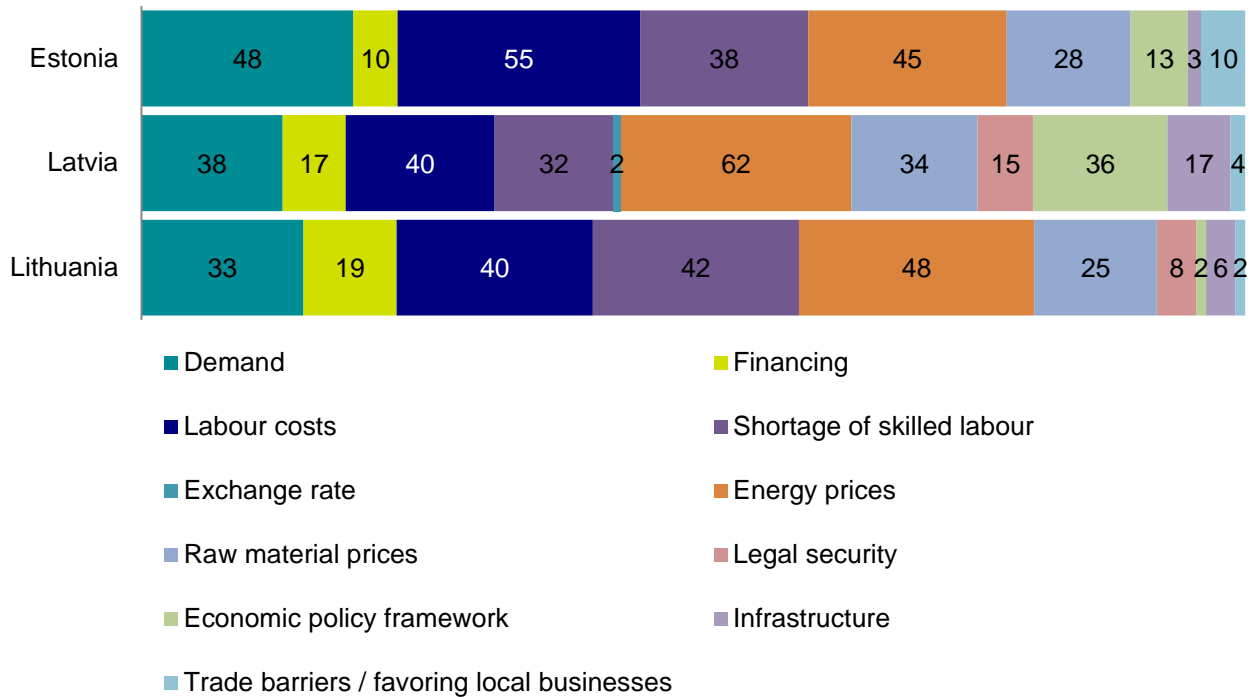
## Location attractiveness in international comparison (CEE countries)

- Cumulative view from the perspective of the companies operating in the CEE countries.
- Adjusted value, self-assessment subtracted.

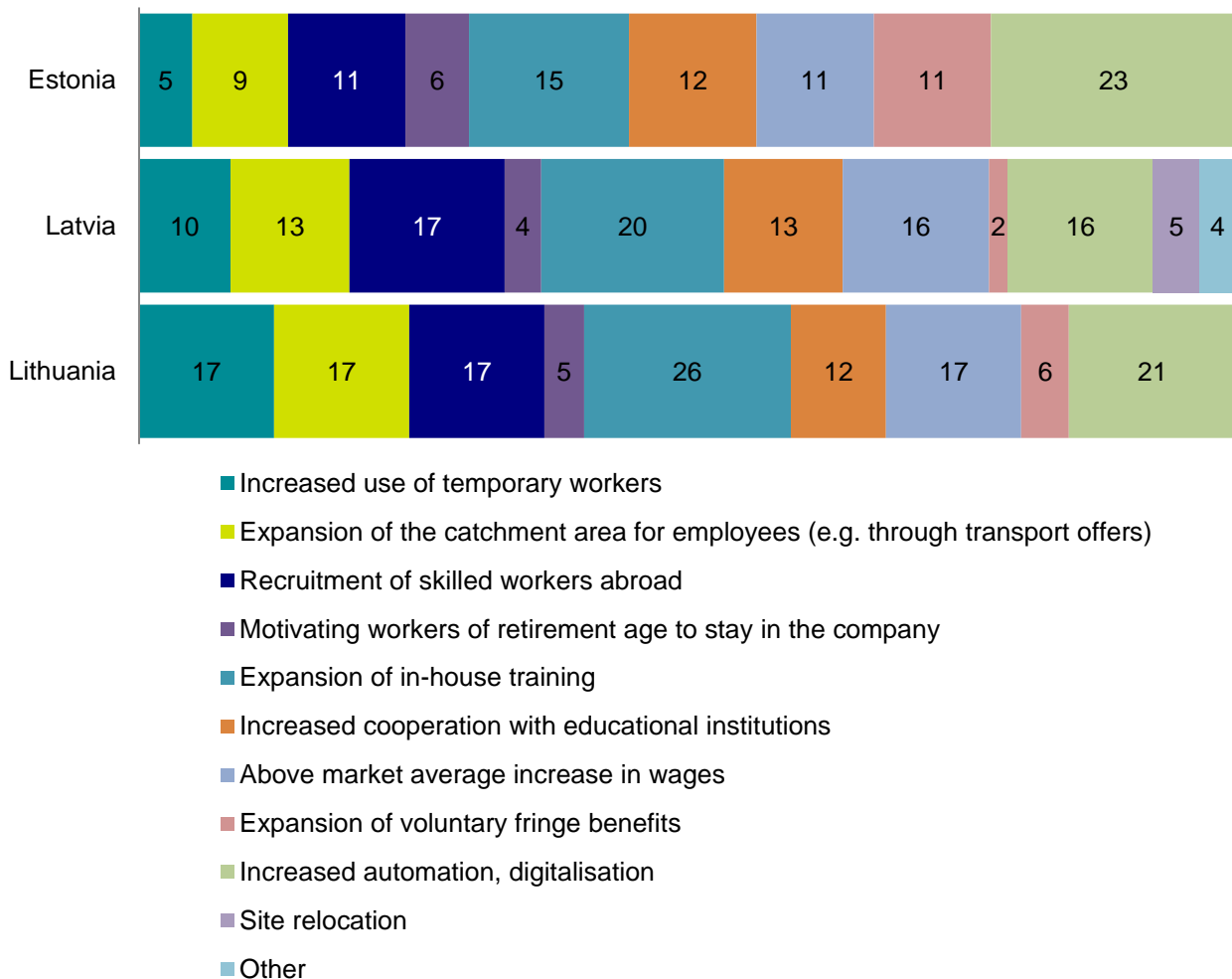
Rating scale: Attractiveness of the country as an investment location: 1= very attractive to 6 = not attractive at all



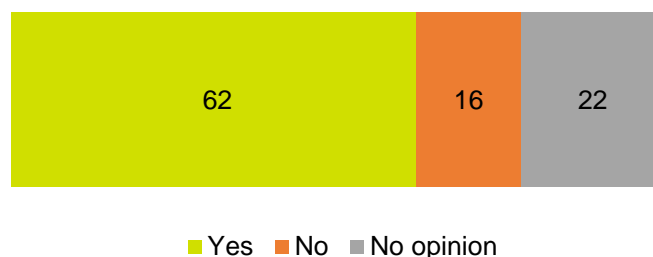
## Where do you see the greatest risks for the economic development of your company in the next twelve months? (in %)



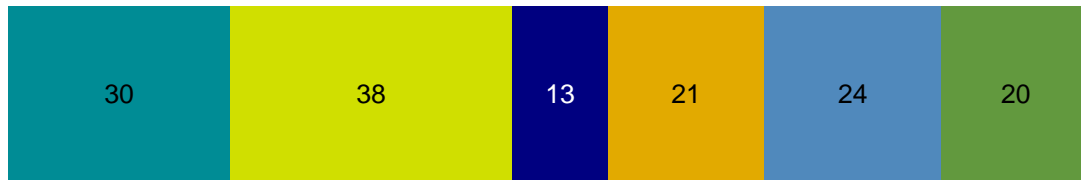
## What measures have you taken or do you plan to take soon to mitigate the consequences of the shortage of skilled workers?



## (Specific Question Latvia) Could the changes in the country's immigration policy solve the labour shortage problem? (in %)



**(Specific Question Lithuania) What would make Lithuania an even more attractive region for investment?**



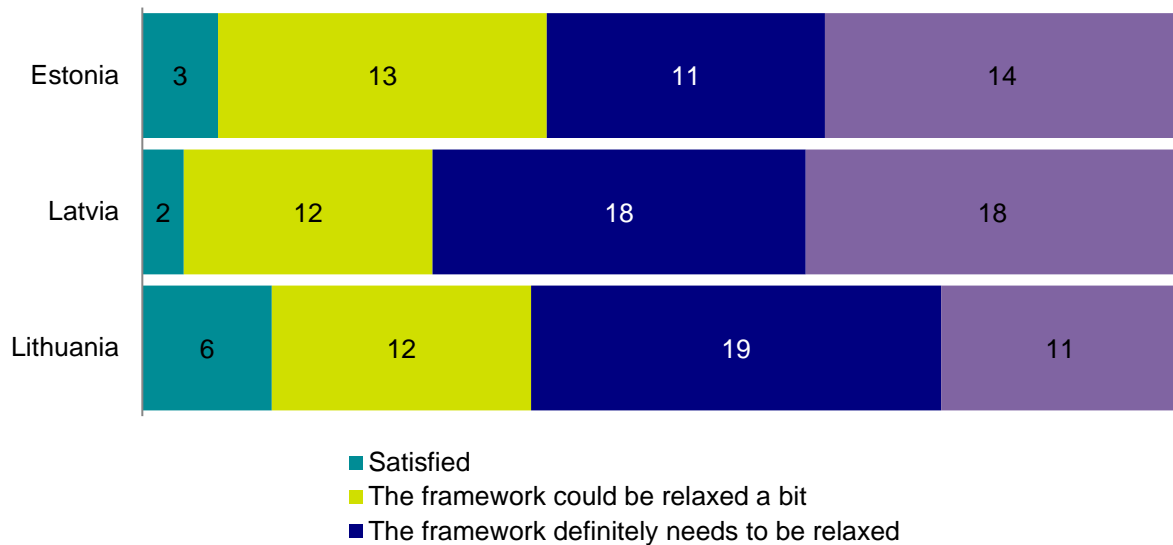
- Stronger focus on dual vocational training
- Improving Lithuanias's accessibility by air
- Increased promotion of the choice of a 2nd foreign language (incl. German) in schools
- Reduction of labour taxation
- Facilitating recruitment procedures for workers from third countries
- More support for small and medium-sized enterprises

**(Specific Question Estonia) What influences most your company's commitment to sustainability?**

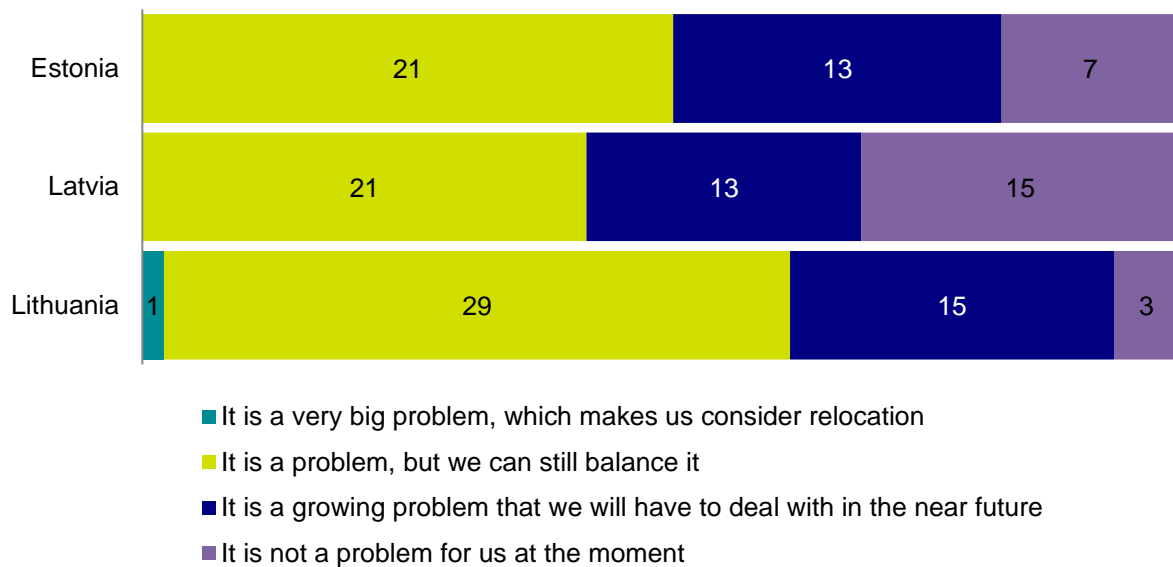


- Customer demand
- Business partner requirements
- Our own beliefs
- Government policy
- EU funding
- Other

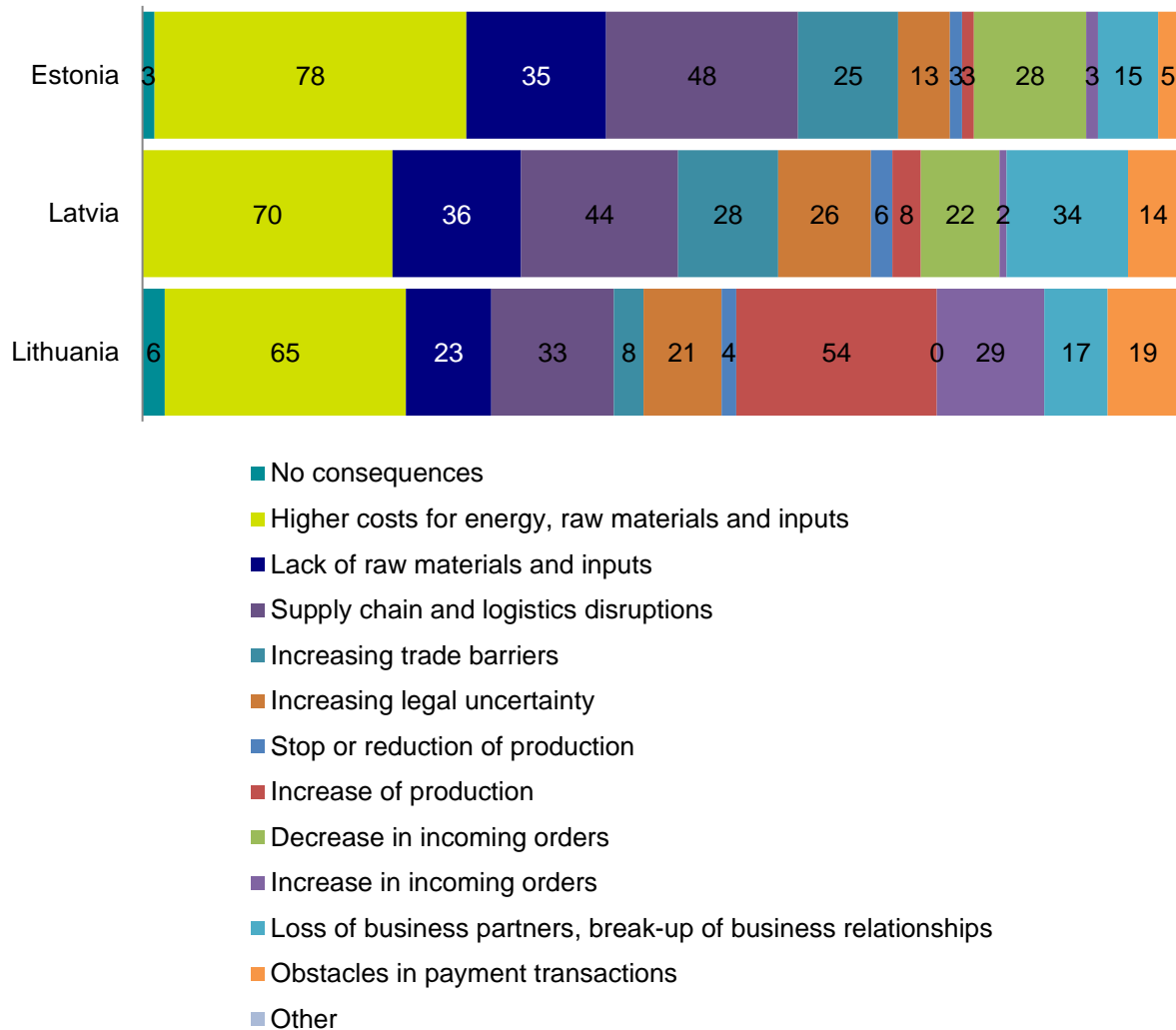
## Are you satisfied with the governmental framework for labor procurement from third countries?



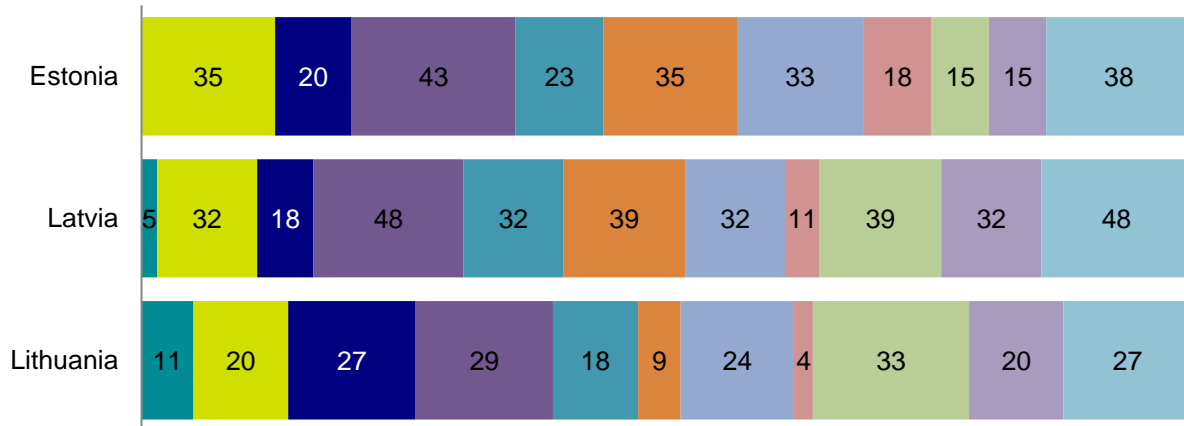
## How big is the problem of increasing labor costs in your company?



## What short-term economic consequences of the Russian invasion of Ukraine do you experience or expect for your company? (Multiple answers possible)

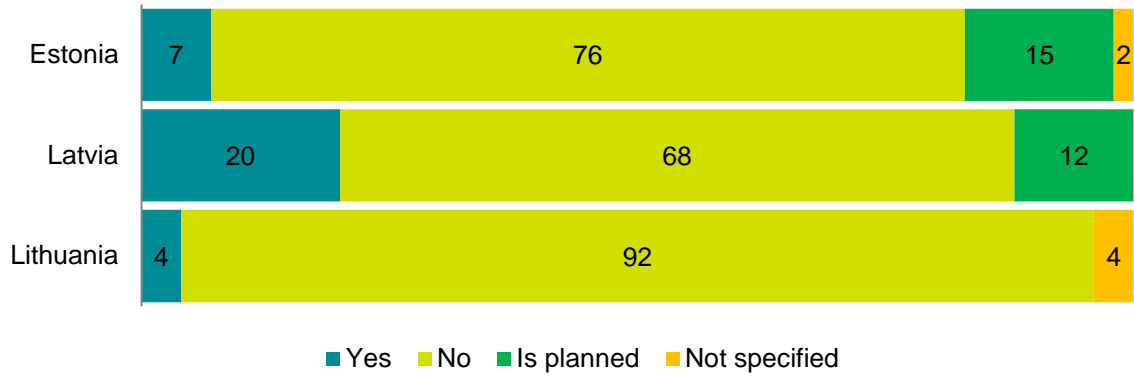


## What long-term changes in the international division of labour do you expect? (Multiple answers possible)



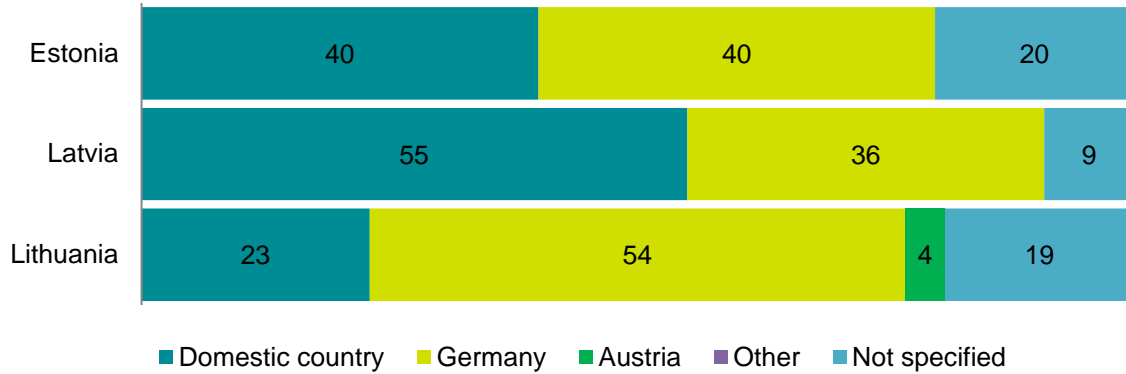
- No changes
- Change in transport routes
- Change in risk assessment of production sites
- Termination or restrictions of business relationships in certain regions
- Relocation of Subsidiaries/production sites to new locations
- Relocation of Subsidiaries/production sites closer to German/European home market
- Increase of political influence on supply chains (e.g. through laws, trade barriers)
- Increase in protectionism / autarchic (self-sufficient) national economy
- Greater diversification of suppliers
- Greater diversification of sales markets
- Economic decoupling of world regions

### Is there any downsizing of activities in your local company due to the increased energy costs? (in %)

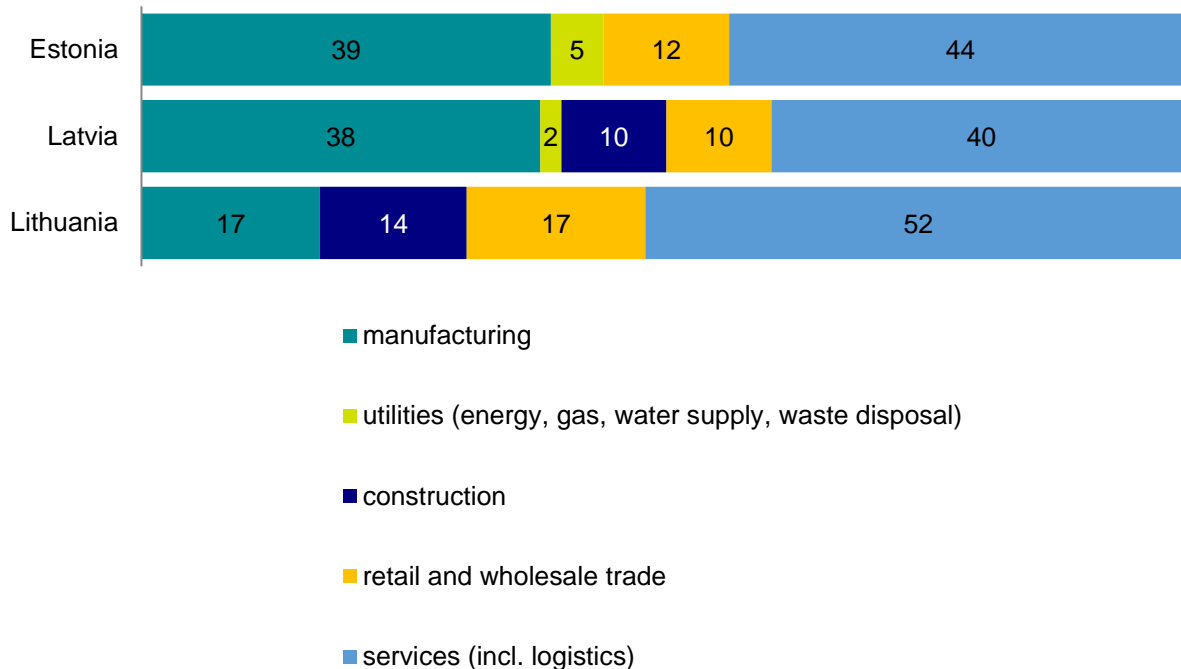




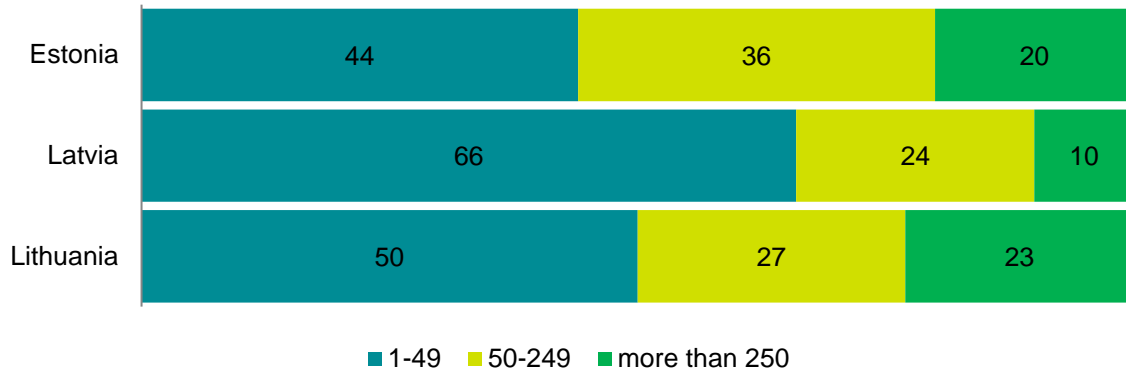
## In which country is the headquarter of the majority owner of your company / group located?



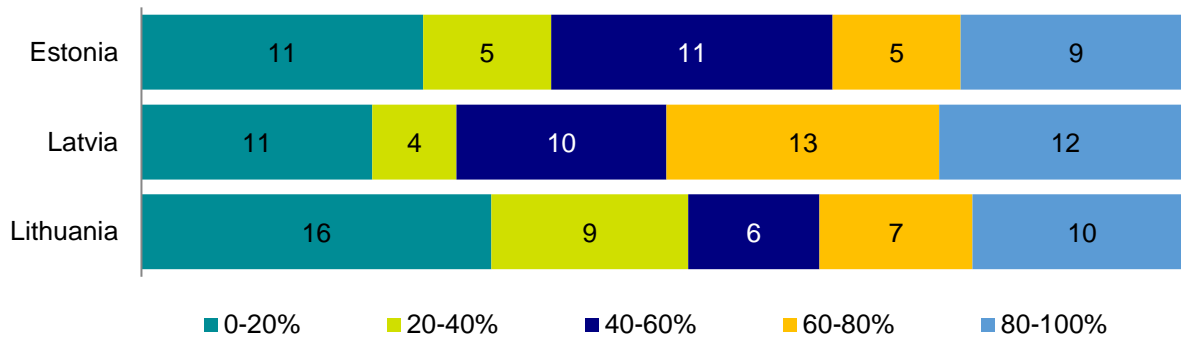
## Main area of operations (in %)



### Number of employees (in %)



### Share of export sales in total revenues



## Survey details

### *Survey period*

- 13 February – 17 March 2023

### *Survey format:*

- Online via common platform of all 16 countries.

## Participants

### Participating countries and number of participants 2023:

AL	Albania	44
BA	Bosnia-Herzegovina	70
BG	Bulgaria	83
CZ	Czech Republic	137
EE	Estonia	41
HR	Croatia	140
HU	Hungary	249
KS	Kosovo	103
LT	Lithuania	48
LV	Latvia	50
MK	North Macedonia	45
PL	Poland	220
RO	Romania	132
RS	Serbia	120
SI	Slovenia	68
SK	Slovakia	70
<b>CEE</b>	<b>in total</b>	<b>1620</b>

## 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.