



BUSINESSatOECD

Business at OECD (BIAC)
Economic Policy
Survey 2024

ABOUT BUSINESS AT OECD (BIAC)

Established in 1962, *Business at OECD (BIAC)* is the officially recognized institutional business stakeholder at the OECD. We stand for policies that enable businesses of all sizes to contribute to economic growth, sustainable development, and societal prosperity. Through *Business at OECD*, national business and employers' federations representing over 10 million companies provide perspectives to cutting-edge OECD policy debates that shape market-based economies and impact global governance. Our expertise is enriched by the contributions of a wide range of international sector organizations.



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KEY FINDINGS AND POLICY MESSAGES

Conducted annually among the leading national business and employer organizations in OECD member countries, the 2024 *Business at OECD (BIAC) Economic Policy Survey* depicts regionally diverging business climate for 2024. While our survey signals the resilience of businesses to recent economic shocks, such as the COVID-19 pandemic and the impact of Russian aggression in Ukraine, it also underlines continuing geopolitical uncertainties, risks of volatilities in several markets and **lack of effective policies to enhance competitiveness**. Key findings include:

73% of our members identify geopolitical tensions as the main risk to the global economy in 2024.

This is a 13% increase compared to the previous year, reflecting concerns about persistent and new conflicts. Sectors with the highest geopolitical risk exposure include energy, shipping, and transport.

Over 80% of members expect some improvements in the competitive environment, reflecting easing supply chain bottlenecks and inflation levels.

Positive developments that could further enhance business competitiveness include access to finance (72%), the adoption of digital technologies (70%), and infrastructure investments (65%). However, only 10% of respondents see positive developments in better regulation and 18% in workforce and skills developments, signalling that greater efforts should be placed in these areas.

59% of our members maintain moderate economic growth expectations, despite a notable increase in those perceiving the business climate as "Very Weak".

While our survey demonstrates a 23% increase in those anticipating a 'moderate increase' in business investment, there is also a 7% rise in members expecting a 'moderate decrease', underlining a diverging outlook among OECD member economies.

The need for structural government reforms is evident in key areas such as the digital transition, human capital, and public infrastructure.

Over 90% of our members are either 'concerned' or 'very concerned' about labor shortages. At the same time, businesses note a lack of political leadership and insufficient public support to promote reforms that decisively address underlying challenges, which will increasingly constrain the economic growth potential in the coming years.

In this context, *Business at OECD* looks to the OECD to provide evidence-based policy advice, foster trusted international cooperation, and encourage political leadership to enable businesses to promote sustainable economic growth in 2024 and beyond.

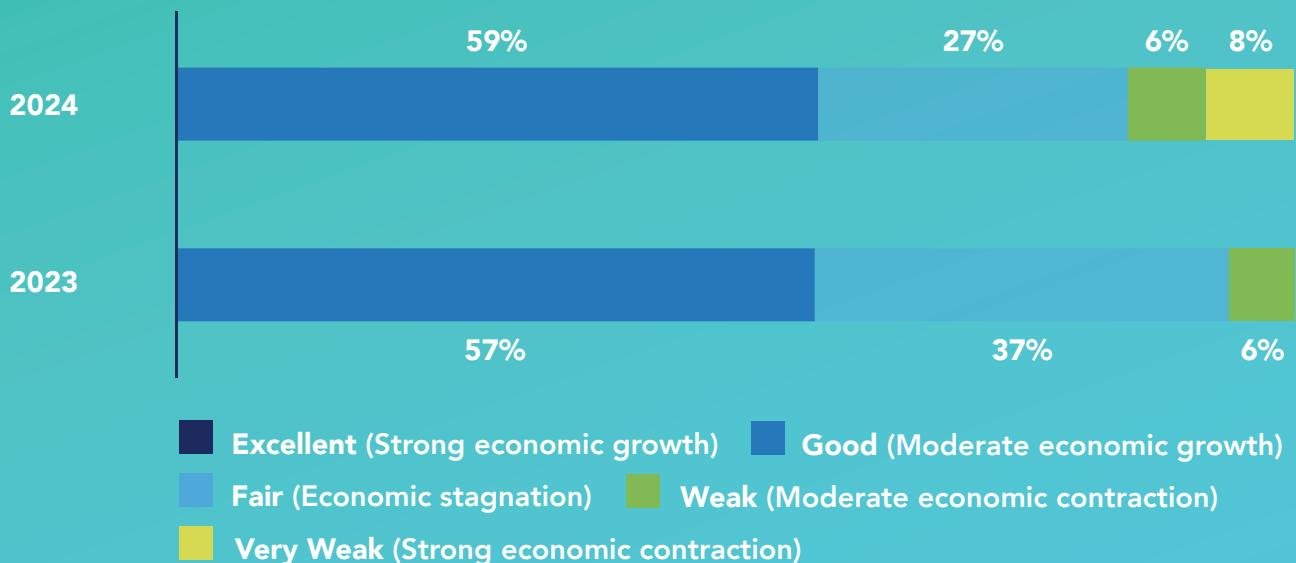


SECTION I: OVERALL ECONOMIC SITUATION

1. The Overall Business and Investment Climate

In 2024, a majority of our members maintain moderate economic growth expectations, despite a notable increase in those perceiving the business climate as 'very weak'. Additionally, there is a significant rise in members expecting a 'moderate decrease' in business investment, indicating divergences on the economic outlook and investment climate among OECD member state economies.

Figure 1: Snapshot view of the current business climate, 2023 and 2024 surveys



Source: *Business at OECD (BIAC) National Member Organizations (adapted to the GDP weighted average)*

Highlights

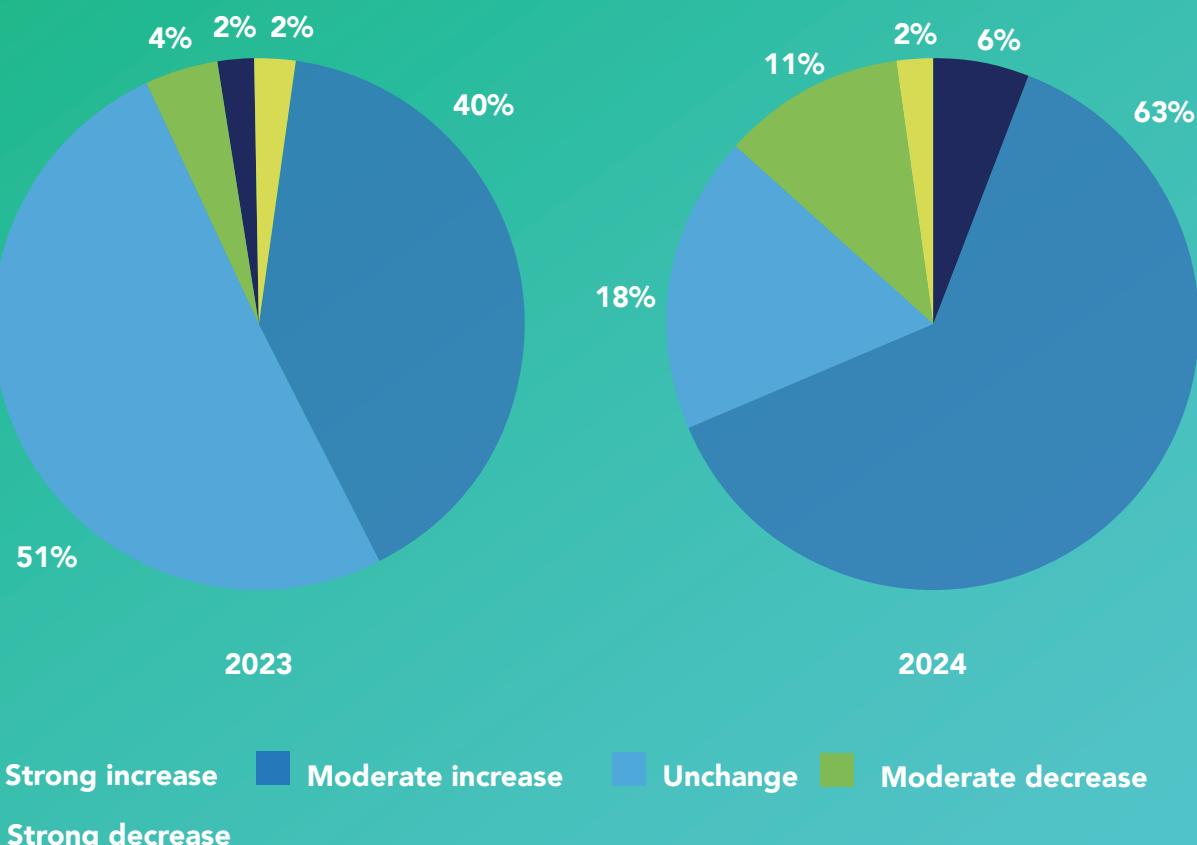
Our 2024 survey reveals a consistent perception of the business climate, with 57% of members characterizing it as 'good'. However, there has been an 8% rise in members describing their country's current economy as 'very weak', signalling the fragility of certain nations and underscoring the need for cautiousness regarding global economic stability.



Section I: Overall Economic Situation

Figure 2: Business investment expectations, 2023 and 2024 surveys

What are your expectations for business investment in your country over the next 12 months (compared to the last 12 months)?



Source: *Business at OECD (BIAC) National Member Organizations (adapted to the GDP weighted average)*

Highlights

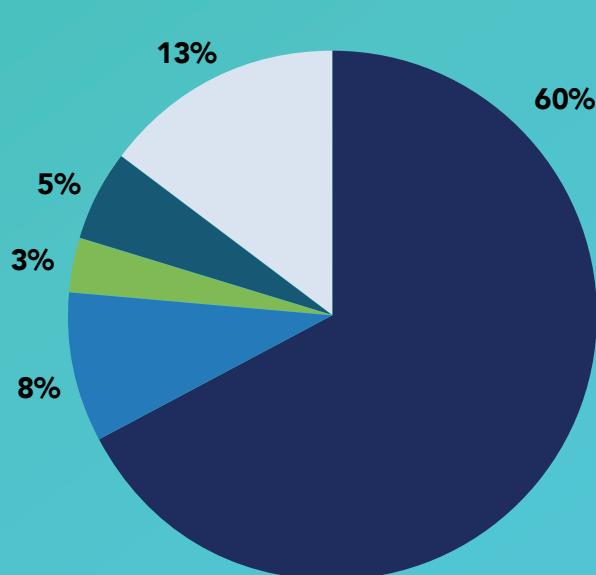
In comparison to 2023, this year's survey demonstrates a 20% increase in members anticipating a 'moderate increase' in business investment, reflecting an overall positive outlook on the economy. Nevertheless, the importance of maintaining caution is evident, since there is a 7% rise in members expecting a 'moderate decrease' in investment over the next 12 months.

2. Main Concern In The Current Global Economic Outlook

In 2024, the primary risk to the global economy remains persistent with our 2023 results highlighting geopolitical tensions as the main concern for business. In 2024, with new conflicts arising in the Middle East, the sectors most affected by geopolitical conflicts are energy and transport.

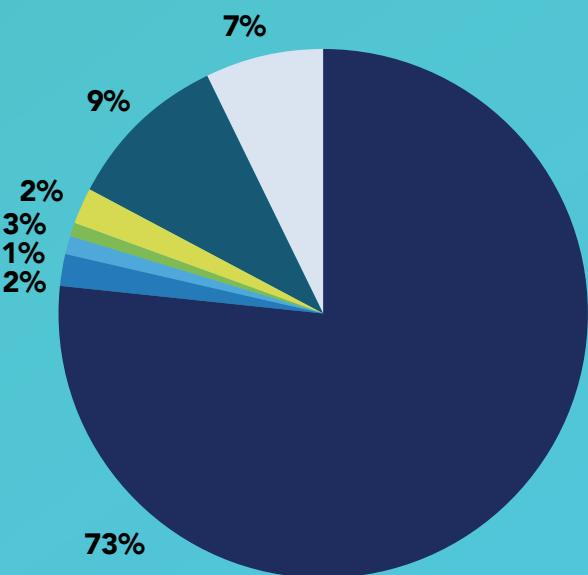
Figure 3: Main concern on the global macroeconomic outlook

What is your main concern regarding the global macroeconomic situation?



2023

- █ Geopolitical tensions
- █ Food prices and supply
- █ Government indebtedness
- █ Stagnation of the green transition
- █ International regulatory divergences
- █ Financing conditions



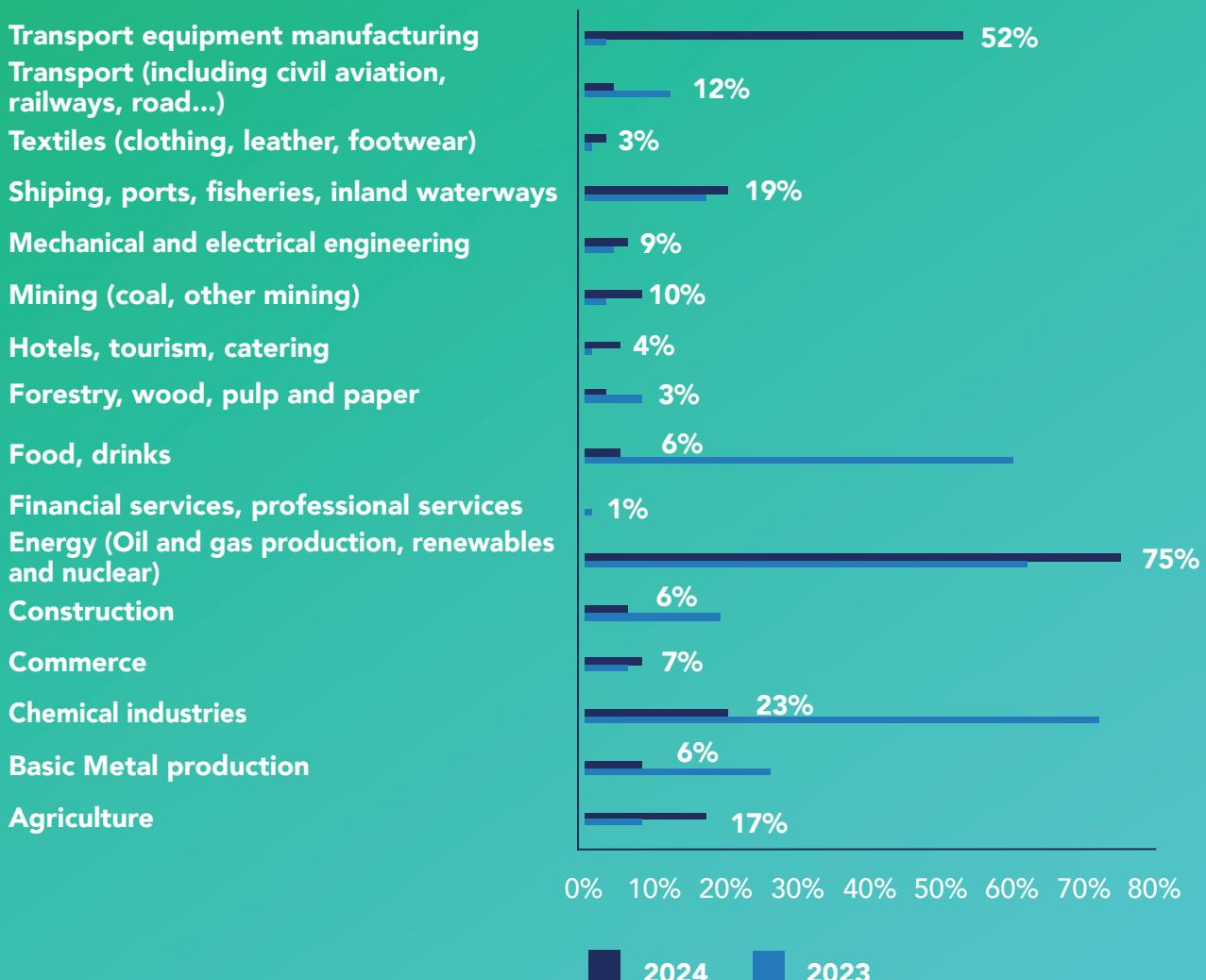
2024

- █ Energy prices and supply
- █ Global supply chain disruptions
- █ Skills and labor shortages
- █ Global tax developments
- █ Reduction in foreign direct investment
- █ Impact of a new major pandemic

Source: Business at OECD (BIAC) National Member Organizations (adapted to the GDP weighted average)

Section I: Overall Economic Situation

Figure 4: Sectors most affected by ongoing geopolitical conflicts



Source: Business at OECD (BIAC) National Member Organizations (adapted to the GDP weighted average)

Highlights

This year, 73% of our members identified geopolitical tensions as the main risk to the global economy, which is a 13% increase compared to our 2023 results. Other major concerns are skills and labour shortages (9%) and financing conditions (7%).

In terms of economic sectors most affected by geopolitical tensions, energy (75%) and transport (52%) stand out as particularly vulnerable. Both sectors have seen significant increases compared to 2023, while challenges facing chemical industries and food have decreased over the past year.

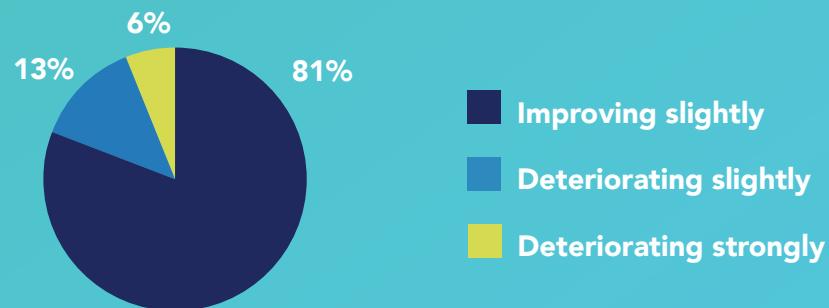


SECTION II: MAIN CHALLENGES FOR BUSINESS COMPETITIVENESS

3. Overall Business Competitiveness Environment

Our 2024 Survey indicates a moderate level of optimism regarding the framework conditions for business competitiveness. The primary factor driving this trend is the decrease of concerns over supply chain disruptions, which reached its peak during the breakout of the war in Ukraine.

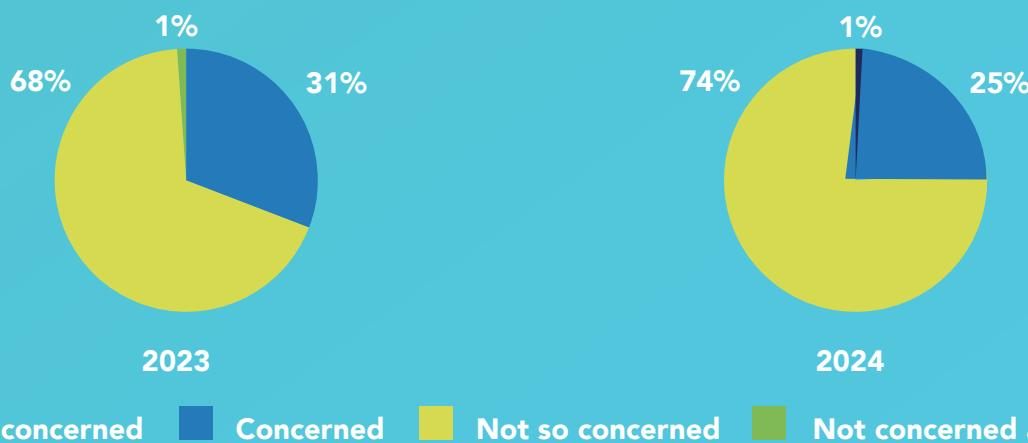
Figure 5: Framework conditions for business competitiveness in 2024



Source: Business at OECD (BIAC) National Member Organizations (adapted to the GDP weighted average)

Figure 6: Concerns over supply chain disruptions in 2024

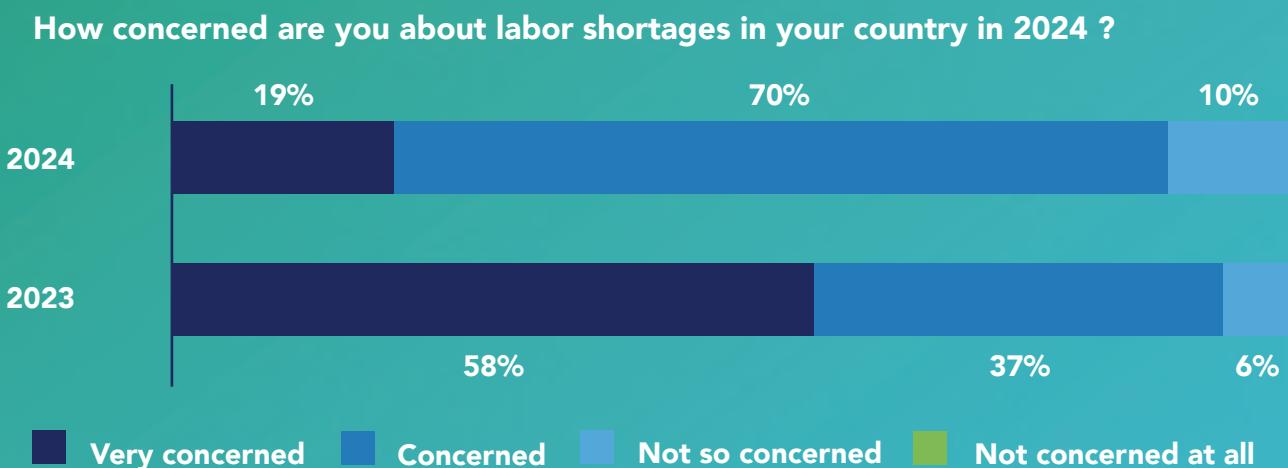
How concerned are you about supply chain disruptions impacting your countries' economy in 2024 ?



Source: Business at OECD (BIAC) National Member Organizations (adapted to the GDP weighted average)

Section II: Main Challenges For Business Competitiveness

Figure 7: Concerns over labor shortages in 2024



Source: *Business at OECD (BIAC) National Member Organizations (adapted to the GDP weighted average)*

Highlights

In 2024, there is a widespread positive perception of business competitiveness conditions, with 81% expressing that there has been a slight improvement over the past year. This reflects the resilience of businesses and their adaptability to a complex geopolitical and economic environment.

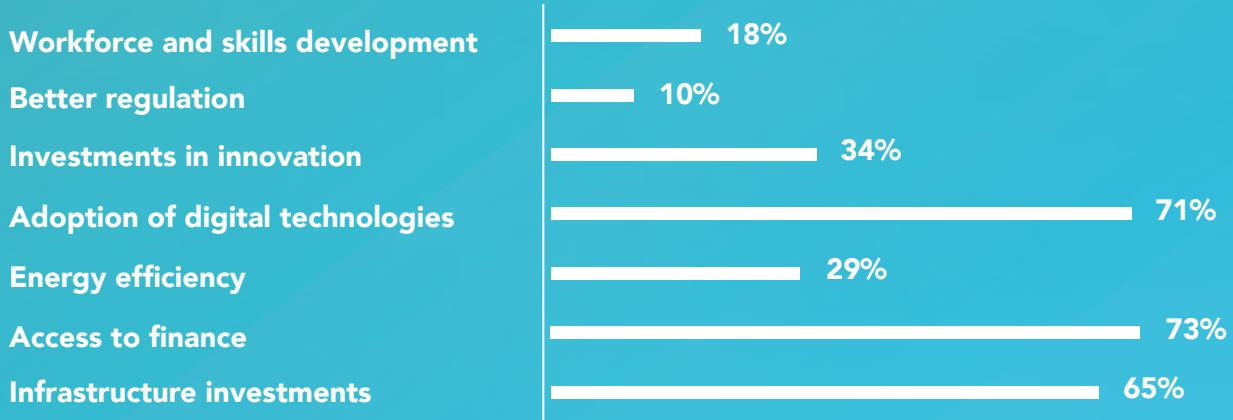
The main driver of this trend is the decrease of concerns over supply chain disruptions. However, despite this optimism, a combined 19% still anticipate conditions to worsen, underscoring the importance of remaining vigilant and cautious.

Another major source of concern for businesses are labor shortages, with 90% expressing some level of concern (20% 'very concerned' and 70% 'concerned'). It remains a critical issue, necessitating ongoing dialogue and innovative policy solutions.

4. Overall Business Competitiveness Environment

In 2024, the primary factors driving business competitiveness include access to finance, the adoption of digital technologies, and infrastructure investments. Meanwhile, aspects such as better regulation and workforce and skills development are falling behind.

Figure 8: Drivers of competitiveness that will develop more positively in 2024



Source: *Business at OECD (BIAC) National Member Organizations (adapted to the GDP weighted average)*

Highlights

In the current context, there are high expectations for a positive evolution in access to finance (73%), adoption of digital technologies (71%), and infrastructure investments (65%). Therefore, it is crucial that policies in these areas do not hinder their positive contribution to economic growth and business dynamism.

However, the lower emphasis on better regulation (10%) and workforce and skills development (18%) signals that greater efforts should be placed in these areas to keep the pace with other drivers of competitiveness.

SECTION III: STRUCTURAL REFORM PRIORITIES

5. Areas Where Structural Reforms Are Needed

From our 2024 Survey, it is evident that structural reforms are particularly needed in three key areas: the digital transition, human capital, and public infrastructure. These reforms are essential for businesses to adapt to a rapidly changing landscape and remain competitive.

Figure 9: Structural reform priorities



Source: Business at OECD (BIAC) National Member Organizations (adapted to the GDP weighted average)

Highlights

The substantial increase in the prioritization of human capital (from 38% to 67%), public infrastructure (from 53% to 63%), and the digital transition (from 70% to 75%) under-scores a robust consensus among businesses regarding the importance of investing in people, infrastructure, and digital technologies as

fundamental pillars for fostering robust economic growth.

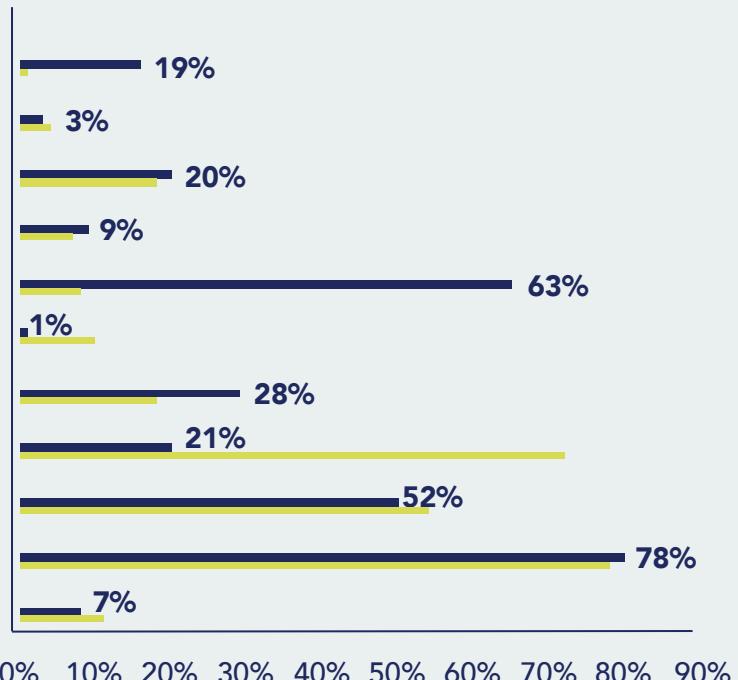
Other areas where there has been an increase of demand for structural reforms are childcare, pre-education and parental leave (from 44% to 46%), public sector efficiency (from 22% to 28%), and active labor market policies (from 9% to 14%).

6. Policy Reform Obstacles

The primary obstacles for governments to promote reforms that drive economic growth are the absence of political leadership and insufficient public support.

Figure 10: Obstacles to successful pro-growth reforms

- Lack of information or communication**
- Poor capacity of the judicial system and public administration**
- Poor capacity of public administration to implement reforms**
- Lack of economic pressure / urgency**
- Lack of public support or negative public perception of reforms**
- Lack of international coordination**
- Lack of policy coherence**
- Lack of political unity (e.g. weak coalition)**
- Lack of political continuity**
- Lack of political will or leadership**
- Lack of time and resources**



Source: Business at OECD (BIAC) National Member Organizations (adapted to the GDP weighted average)

Highlights

The persistent identification of "lack of political will or leadership" (78%) as the main obstacle to policy reforms, underscores the business community's call for decisive and consistent political action to facilitate pro-growth reforms.

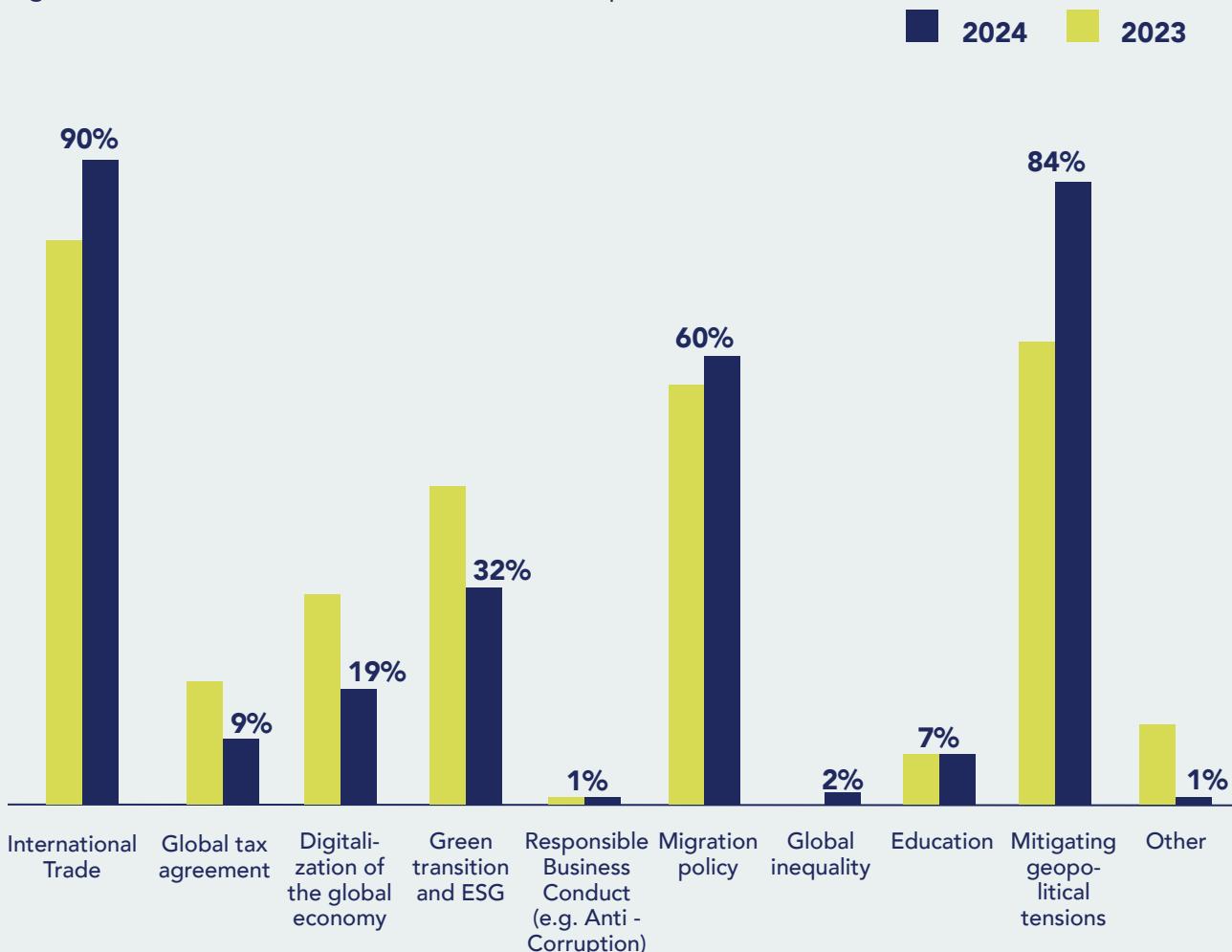
Moreover, the notable increase in concern over "lack of public support or negative public perception of reforms" (from 8% to 63%) highlights a growing awareness of the need for public engagement and consensus-building in the reform process.

Section III: Structural Reform Priorities

7. International Cooperation

The main areas where international cooperation is needed are international trade, mitigating geopolitical tensions, and migration policy. This data suggests that more internationally coordinated frameworks are needed in these areas to ensure that they do not create obstacles for economic growth.

Figure 11: Prioritized areas for international cooperation



Source: Business at OECD (BIAC) National Member Organizations (adapted to the GDP weighted average)

Highlights

The areas of international cooperation that should be prioritized are international trade (from 78% to 90%) and mitigating geopolitical tensions (from 66% to 84%). This evolution between 2023 and 2024 underscores an urgent call from the business community for proactive measures to sustain and secure trade

relations against the backdrop of rising global uncertainties.

Finally, the rise in the priority given to migration policy (from 58% to 60%) suggests that businesses demand more internationally coordinated migration frameworks.

Methodological Note

Timeline

Our survey was launched in January 2024 and concluded in March. This synthesis report was prepared in March 2024. Given the rapid evolution of the economic and geopolitical developments, it cannot be excluded that the different timings of member responses influence aggregate results.

Respondents

37 national business and employer organizations, representing 99.9% of all OECD countries' GDP, participated in the survey on a voluntary basis. Only one response per organization, and per country, was accepted. Each participating business and employer organization represents thousands of companies across several economic sectors in their respective countries.

In responding to the survey, it was expected that the individual respondents (typically chief economist or senior leadership) would aim for well-balanced and representative responses based on the economic situation in their country.

Confidentiality

In order to encourage respondents to freely put forth their respective views and priorities, it was decided to fully ensure the confidentiality of their responses by only communicating aggregate results (through weighted averages). For the purposes of this synthesis report, the names of participating organizations and their responses have been anonymized.

Survey Structure

The survey was structured into three main sections:

- I. Overall economic situation
- II. Main challenges for business competitiveness
- III. Structural reforms to boost competitiveness

Contact

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