

The Evolution of Knowledge on Private Sector Development

The perspective of EIB

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The EIB Investment Survey (EIBIS)

Why? Need to understand investment dynamics in Europe, in a consistent way across EU countries

- Combines qualitative information with balance sheet data
- Regular tool allows comparison overtime, but some flexibility in the questionnaire allows to respond to pressing policy needs

What is EIBIS?

- Seven survey waves since 2016
- Over **12 500** firms surveyed in each wave with panel components
- 27 EU member states, the US since 2019
- four firm size classes based on number of employees, four sector groupings (manufacturing, services, construction, infrastructure)
- Sampling frame: BvD ORBIS

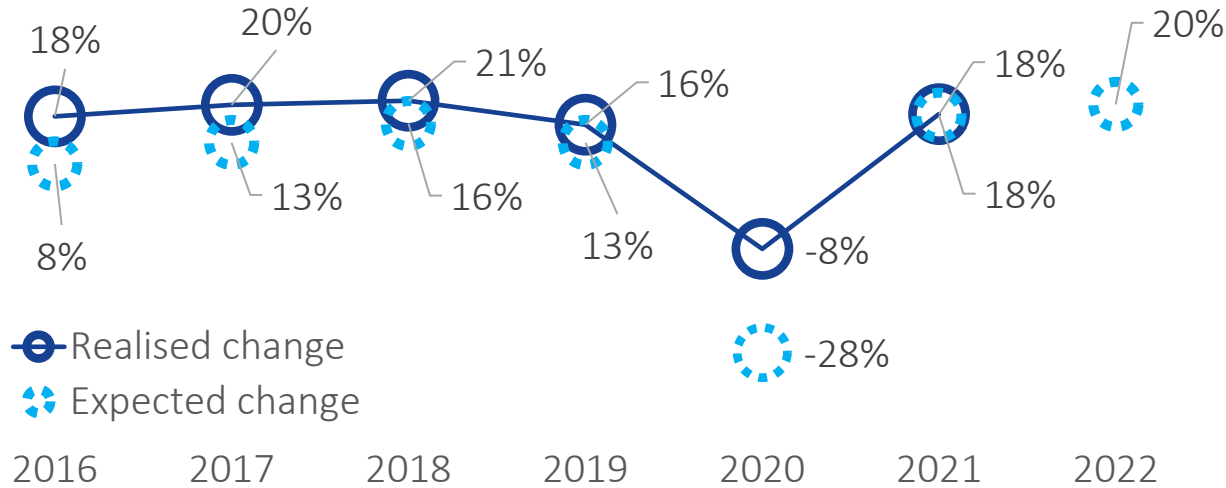
A tool in our hands (offering flexibility), and well known / recognised

- Work with academics and dissemination at country level with Ministries and Central Banks

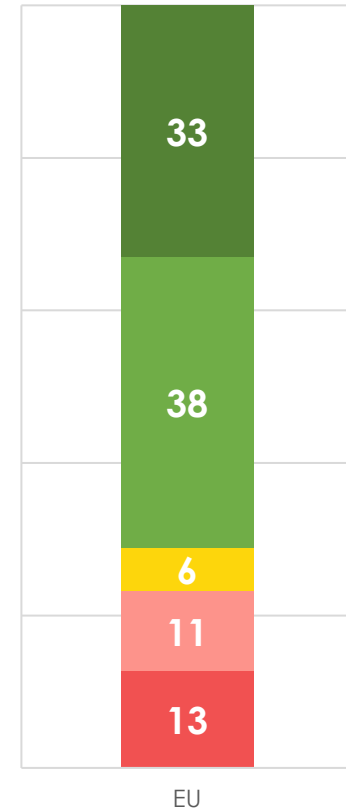
Insights into dynamics and expectations

Firms have recovered from the pandemic – Share of firms by post-pandemic recovery (%)

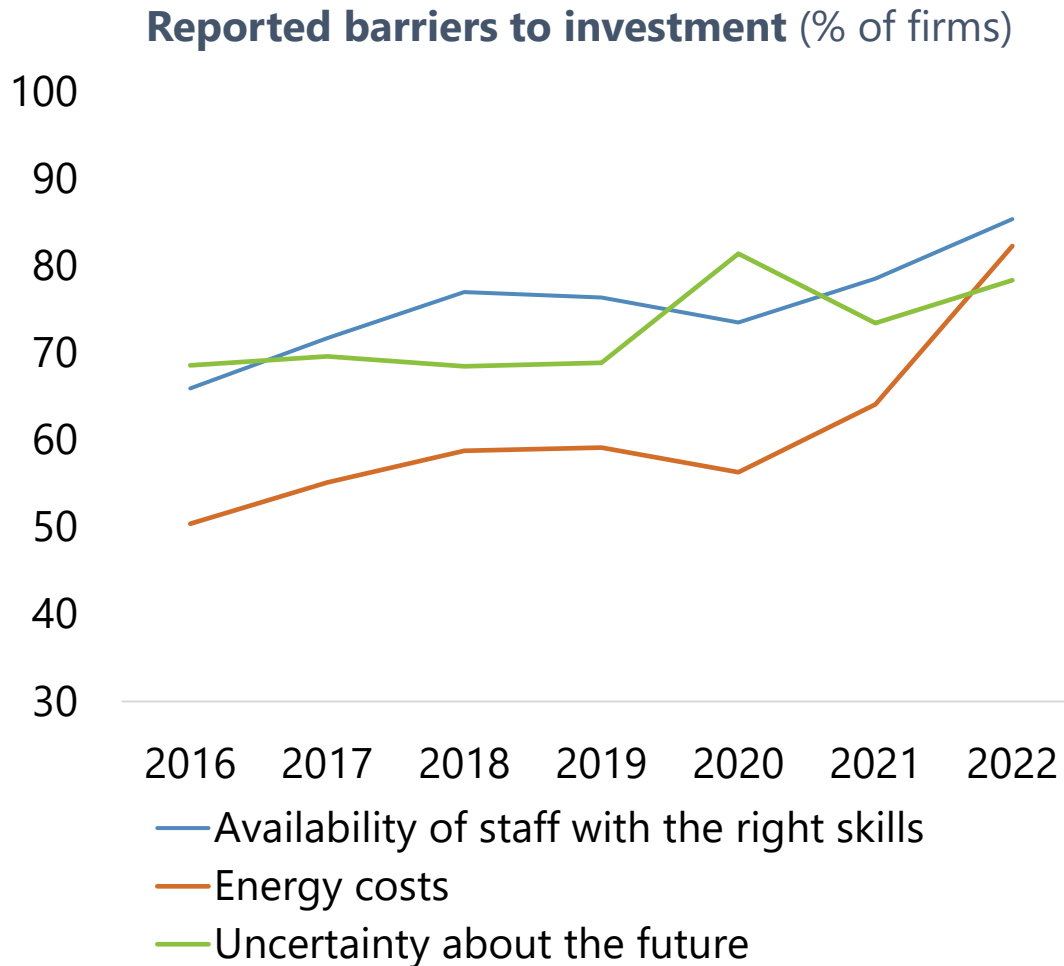
Evolution of investment expectations and realisations – share of firms to raise investments minus those that expect to reduce



- Winners
- Expected to recover
- Unaffected
- Newly hit
- Not yet recovered



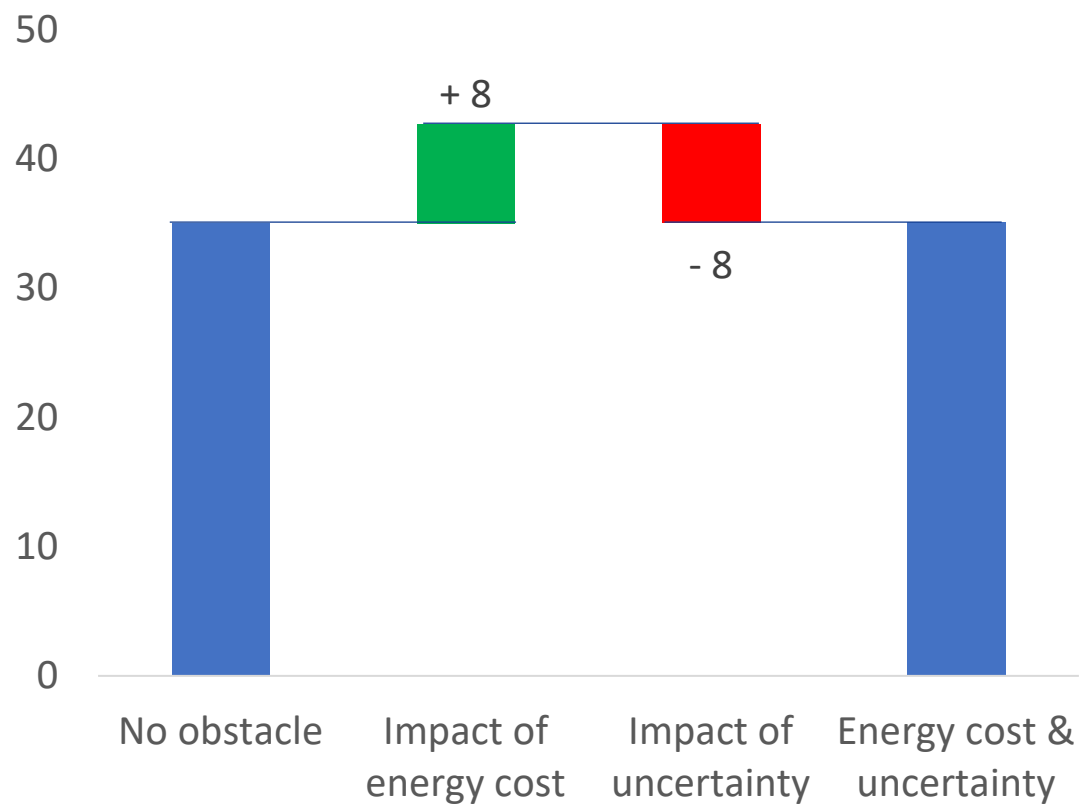
Barriers - evolution overtime



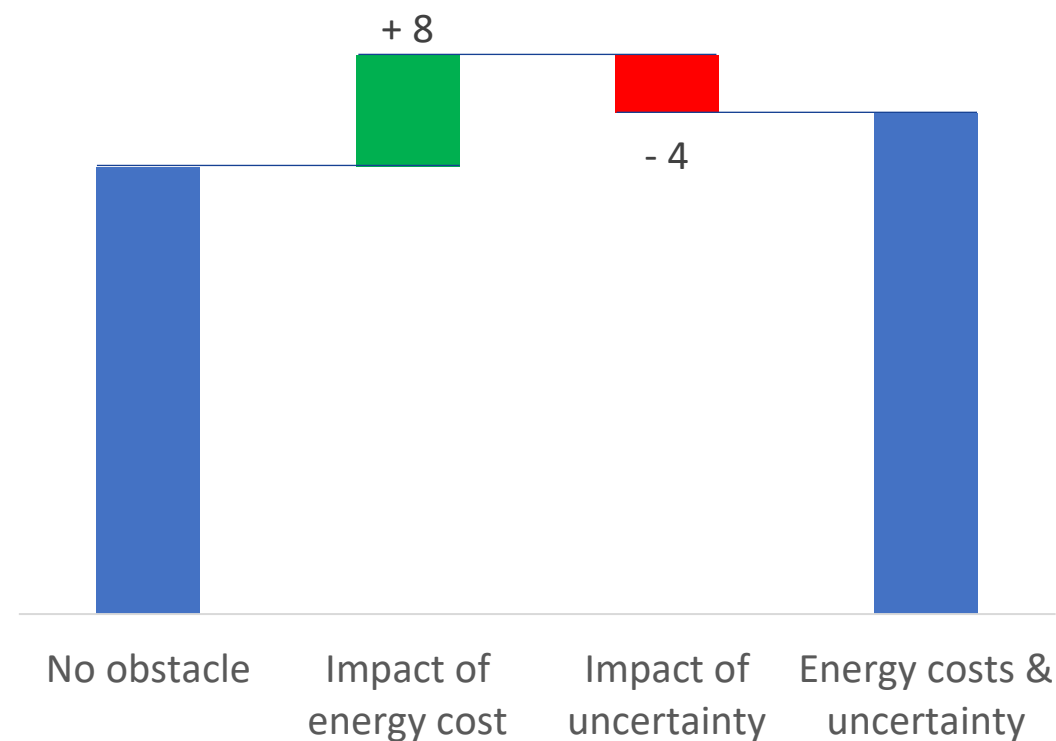
- In 2022, 85% of firms report lack of skills as a barrier to investments (influence capacity to invest, but also return from investment)
- Loss of corporate investment due to uncertainty is estimated at 1.2% of GDP
- Energy costs are a concern across Europe, incentivising energy efficiency investment, but less of a driver for climate action

Uncertainty affects also climate investment, but is less of a drag for energy efficiency

Probability of investing in climate action



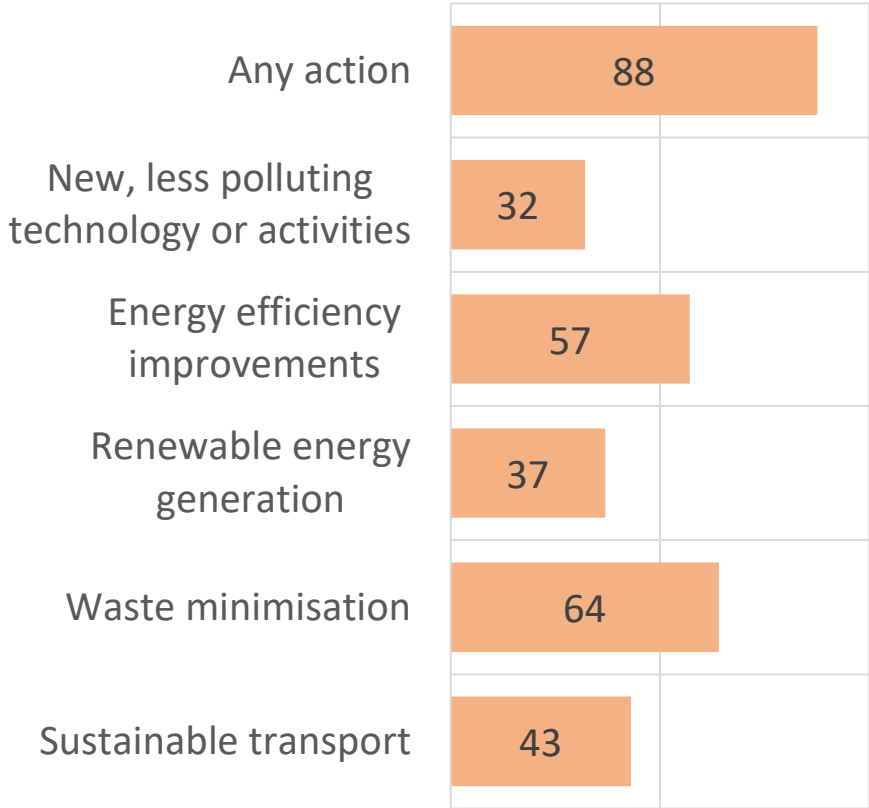
Probability of investing in energy efficiency



Firms action for adaptation and mitigation in Europe

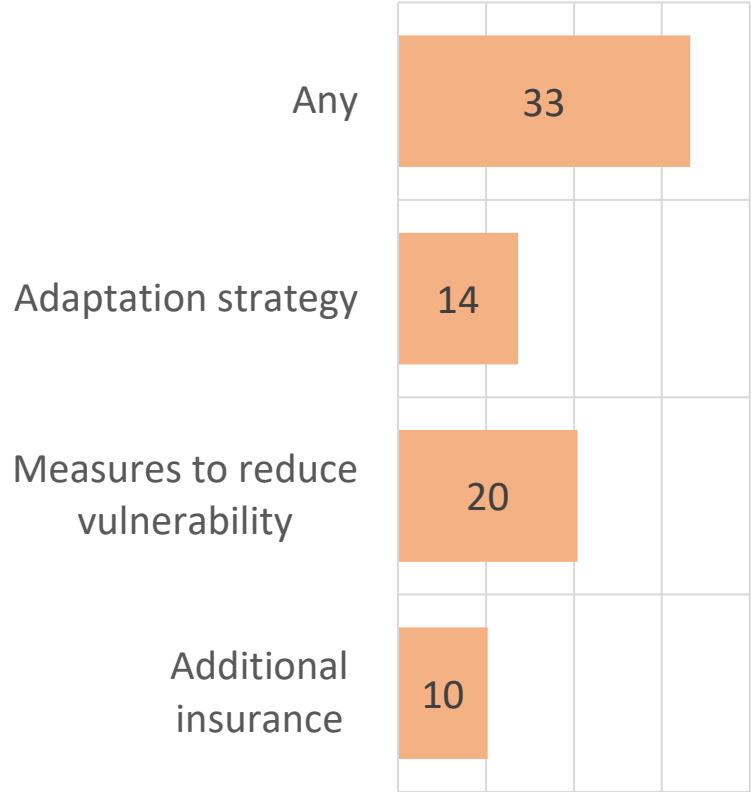
EU firms investment in mitigation

(% of firms)



EU firms investment in adaptation

(% of firms)



Source: EIBIS

Shocks and recent challenges

- **Digitalisation as a key response to the Covid-19**
 - 53% of firms report becoming more digital
- **Transformation of firms in the ETS sector**
- **Municipalities in Europe**
- **Supply chain disruptions** and firm's reaction
 - 87% of EU reported disruptions
 - 57% took actions to mitigate negative effects (especially the more innovative, digital firms)

Enterprise Surveys in ECA and MENA

Why? Need to understand the business environment as experienced by firms in the regions neighbouring Europe

How?

- Collaboration with the World Bank and EBRD
- 2013 MENA Enterprise Survey
- 2018-2020 BEEPS-MENA

Examples of recent work based on the Green Economy Module

Physical climate risk

8% of firms report losses from extreme weather events in the three years preceding the interview. These firms

- Are more likely to invest, either to rebuild their capital stock or to guard against future shocks
- Are more likely to reduce the environmental footprint of the firm
- Are more likely to need bank credit, but small firms face higher rejection rates.
- Have on average higher leverage

(Benincasa, Betz, Gattini, 2022)

Green investment

Companies are more likely to adopt more green measures if they experience fewer financial constraints and have better green management practices, but there are regional differences

- MENA firms less advanced in terms of green investments and green management practices than firms in ECA
- Green investment in ECA more sensitive to credit constraints than in MENA
- Firms with better green management practices more likely to also adopt measures that are not capital intensive

(Kalantzis, Schweiger, Dominguez, 2022)

For more information

EIBIS Data download, charting tool, methodology:

➤ www.eib.org/eibis

Recent reports:

- [EIB Investment Report 2022/2023: Resilience and Renewal in Europe](#)
- [Business Resilience in the Pandemic and Beyond: Adaptation innovation, financing and climate action from Eastern Europe to Central Asia](#)
- [Unlocking sustainable private sector development in the Middle East and North Africa](#)

Other surveys at EIB:

- ETS and supply chains
- Survey of EU municipalities about their investment needs and gaps
- Bank lending survey for CESEE economies
- Finance in Africa

