



GLOBAL ECONOMIC SURVEY 2024

Global Economic Survey 2024

The Global Economic Survey (GES2024) by Eurochambres, conducted over the months of December 2023 and January 2024, delivers a qualitative analysis anticipating global economic trends, and major policy challenges for the upcoming year. This survey features insights from various organisations across countries that collectively contribute around 70% of the world's total GDP. Participating organisations include:

- The **United States** Chamber of Commerce (USCC)
- **Australian** Chamber of Commerce and Industry (ACCI)
- **British** Chambers of Commerce (BCC)
- Union of Chambers and Commodity Exchanges of **Türkiye** (TOBB)
- The **China** Council for the Promotion of International Trade (CCPIT)
- **Korea** Chamber of Commerce and Industry (KCCI)
- Federation of the **Gulf** Cooperation Council of Chambers (FGCCC)
- Confederation of **Asia-Pacific** Chambers of Commerce and Industry (CACCI)
- **Singapore** Business Federation (SBF)
- The Association of **European** Chambers of Commerce and Industry (Eurochambres)

Conclusions drawn from the input reflect the majority opinion of participants, without prejudice to diverging opinions of individual organisations, which are highlighted in the report where appropriate.

The input from Eurochambres for this report is sourced from a range of chambers within its network, comprising:

- **German** Chamber of Commerce and Industry (DIHK)
- CCI **France**
- Unioncamere – **Italian** Union of Chamber of Commerce
- **Portuguese** Chamber of Commerce and Industry (CCIP)
- Official Chamber of Commerce, Industry, Services and Shipping of **Spain**
- **Bulgarian** Chamber of Commerce and Industry (BCCI)
- Chamber of Commerce and Industry of **Serbia**

The contributions from these chambers have been aggregated into a single European response. Throughout the analysis, specific viewpoints from the respective chambers are emphasised where pertinent.

EXECUTIVE SUMMARY

Macroeconomic Outlook

In 2024, the global economy continues to navigate through geopolitical tensions and instability, as the risks of geoeconomic fragmentation rises, according to the GES2024. The long-term effects of the pandemic, the ongoing war in Ukraine, and more recently, escalating conflicts in the Middle East are continuing to take a toll on global growth.

In this context, and with 2024 being a record setting election year, where half of the globe's population will be called upon to vote, geopolitical uncertainty and tension for the second time in a row, is seen as the most important challenge for the global economy in the year ahead, according to the GES2024. Further risks are seen in supply chain disruptions and the challenges in the supply of raw materials, coming in as the second most important challenge with energy security coming in as the third most important challenge to global growth in 2024. In light of this, GES2024 participants prioritize public policy responses that enhance the diversification of the raw material supply chains and stimulate further investments in renewable energy and green technologies.

While the global economic landscape remains challenging, the GES2024 also identifies signs of resilience and recovery in various world regions, yet the growth trajectories remain uneven. The divergent forecasts from GES2024 participants highlight the diverse path of the global recovery, with some regions showing more optimism than others. In particular, most GES2024 respondents from developed economies have a more cautious growth outlook for the year ahead when compared to the IMF benchmark, while GES2024 participants from emerging economies have shown more optimism.

In this regard, Eurochambres forecasts a tempered growth expectation at 1.25% for the European Union, slightly below the IMF's projection of 1.4%. , while the British Chambers of Commerce and the United States Chamber of Commerce anticipate growth rates of 0.4% and 1.3%, respectively, both slightly lower than the IMF's estimates. The Korea Chamber of Commerce and Industry's outlook is also slightly more conservative at 2.1% compared to the IMF's 2.2%.

Conversely, the China Council for the Promotion of International Trade (CCPIT) aligns with the IMF prediction, maintaining a stable growth rate of 4.2% for China. The Union of Chambers and Commodity Exchanges of Türkiye (TOBB) projects an upward growth expectation of 3.5%, outpacing the IMF's forecast pointedly, while the Federation of the

Gulf Cooperation Council Chambers also demonstrates strong optimism for their region, forecasting a 3.4% growth for their region, beating the IMF's benchmark estimate significantly.

The GES2024 also reveals a broadly more optimistic view by participants on business confidence and foreign direct investment (FDI) within various regions for 2024.

With regards to business confidence, the vast majority of GES participants, including from the US, Australia, UK, Türkiye, China, the EU, the Gulf, and the Asia-Pacific, anticipate business confidence to rise in their region in the year ahead.

Regarding FDI, the sentiment is positive but a little more balanced, coming on the back of what is projected to be a rather weak year 2023 for global investment flows. GES2024, participants from the US, Türkiye, China, the Middle East and Central Asia, and the Asia-Pacific are optimistic of FDI rising in their region in 2023, while others, including the EU, Korea, Australia, and the UK, project that FDI flows will remain unchanged.

As not only investment but also international trade continues to play a pivotal role in the resilience of the global economy recovery, the GES2024 participants also identified the main threats to the free flow of goods and services across borders. Here too, geopolitical uncertainty weighted heavily in their ranking, as supply chain challenges, such as the recent attacks on Red Sea shipping, as well as the risk of an increasing fragmentation of the world into different regulatory spheres, were seen as the most imminent and important threats to global trade. In view of the upcoming 13th Ministerial Conference in Abu Dhabi later this month, GES participants favoured digital trade, dispute settlement, and an ambitious SME agenda as key deliverables for Ministers in Abu Dhabi at MC13.

Moreover, as Brazil took over the G20 Presidency from India at the end of last year, GES2024 participants also gave their views on what they would like G20 Leaders to prioritize this year, with global approaches to trade and climate ranking as the foremost priority for global business. Issues such as the compatibility of carbon border adjustment measures with global trade rules, finding common methodologies for assessing carbon prices, or facilitating the flow of green goods and services, will thus remain high on the agenda for the business community.

Lastly, according to the GES2024 investing in high quality digital infrastructure and establishing a harmonised legislative framework for the digital space, were seen as the most important tools to foster the digitalization of SMEs across the world regions. This remains critical, as the pace of the digital transition for SMEs continues to be an essential component in fortifying the resilience of businesses globally.

I. MACROECONOMIC OUTLOOK OF THE GLOBAL ECONOMY

1) Expectations for real GDP growth in 2024 compared to IMF statistics

While overall global economic outlook has been seeing some signs of a revitalization as noted in the GES23, including the reduction of peak inflation, it remains fraught with risks. Tighter global financial conditions, sluggish global trade, a deceleration of growth in China and a potential deepening of woes in its real estate sector, and of course geopolitical shocks, from Ukraine to Gaza could further dampen global growth in the year ahead. As the risk of geoeconomic fragmentation rises, additional challenges lie ahead for the global economy in 2024, risking complicating further multilateral cooperation from economic policy to the green transition.

Against the backdrop of fast evolving global economic trends, participants in the Global Economic Survey 2024 (GES2024) were invited to share their expectations for real GDP growth within their respective countries or regions for the year 2024, in comparison with the benchmark forecasts provided by the IMF¹. In this regard, the expectations of GES2024 participants for their own local economies vary across the countries/regions, with both more optimistic growth forecasts especially among some emerging economies and also slightly more dampened ones, particularly in developed economies.

The benchmark growth forecast for the European Union projected by the IMF was 1.4%, a figure slightly higher than the 1.25% average growth rate estimated by Eurochambres. This difference may reflect concerns about the impact of energy market distortions and geopolitical tensions such as the on-going war in Ukraine and the ensuing conflicts in the Middle East.

In the United Kingdom, the growth expectations are modest, with the British Chambers of Commerce projecting a slightly lower growth rate (0.4%) compared to the IMF's 0.6%. This could be attributed to the tightened monetary policy with high interest rates weighing on investment and growth, or the ongoing economic challenges post-Brexit.

For the United States, the US Chamber of Commerce is forecasting a slightly lower growth rate (1.3%) than the IMF (1.5%), but still reflecting a strong growth figures for the

¹ International Monetary Fund, World Economic Outlook, October 2023, available at: [World Economic Outlook, October 2023: Navigating Global Divergences \(imf.org\)](https://www.imf.org/en/Publications/WEO/Issues/2023/10/01/world-economic-outlook-october-2023)

developed economies, which could be attributed to strong consumer spending and productivity gains.

A similar picture emerges for Korea, where the KCCI predicts a slight downward revision to 2,1% from the IMF's benchmark of 2.2% growth rate for 2024. This marginal difference can be attributed to internal factors such as the country's substantial reliance on exports and the challenges posed by global supply chain disruptions.

In contrast to other slightly more negative outlooks from participants from developed economies the Australian Chamber of Commerce and Industry (ACCI) is more optimistic for Australian growth in the year ahead, predicting a 1,75% growth compared to the IMF forecasts of 1.2%. This might be linked to Australia's economy having shown remarkable resilience, particularly in the mining² and service³ sectors and reflect expectations of continued high demand for Australian critical minerals and agricultural products, coupled with a robust domestic recovery post-pandemic.

For emerging markets such as Türkiye, an overall more optimistic picture emerges in the GES2024, with the Union of Chamber of Commerce and Commodity Exchanges (TOBB) of Türkiye predicting a 3.5% growth for the year ahead compared to the IMF's 3% forecast. TOBB's forecast could be explained by robust economic growth figures for 2023 driven by robust household spending, its diversified economy and strategic geographical location.

What are your expectations for real gross domestic product (GDP) growth in your country/region for 2024 compared with the latest forecast from the International Monetary Fund (IMF)?

Country/region	IMF estimates	Participants' estimates
European Union	1.40%	1,25%
ASEAN-5	4.50%	5.10%
Australia	1.20%	1.75%
China	4.20%	4.20%
Korea	2.20%	2.10%
Middle East and Central Asia	1.60%	3.40%

² The Observatory of Economics Complexity, Australia, accessed January 2024, available at: <https://oec.world/en/profile/country/aus>

³ Australian Government, Services & Digital Trade, accessed January 2024, available at: <https://www.dfat.gov.au/trade/services-and-digital-trade/services-trade-policy>

Türkiye	3.00%	3.50%
United Kingdom	0.60%	0.40%
United States	1.50%	1.30%

For other emerging markets such as China which are expected to see a modest decline in forecasted growth, partly affected by China's property sector crisis⁴, both the China Council for the Promotion of International Trade (CCPIT) and the IMF see a consensus for the country's economic growth trajectory post-Covid-19 with a 4.2% growth for the year ahead.

The outlook for the ASEAN-5 region, comprising Indonesia, Malaysia, the Philippines, Thailand, and Vietnam, is expected to rise according to the Confederation of Asia-Pacific Chambers of Commerce and Industry, and the Singapore Business Federation which are forecasting together a 5,1% growth, compared to the IMF benchmark of 4.5%. This significantly more optimistic forecast is likely rooted in the region's rapidly growing digital economy, increasing intra-regional trade, and an uptick in foreign investments, particularly in manufacturing and services⁵. The region's young population and urbanization trends also seem to contribute to this outlook⁶.

An even more optimistic outlook was given by the Federation of the Gulf Cooperation Council of Chambers (FGCCC) for the Middle East and Central Asia region, forecasting a buoyant 3,4% growth outlook for 2024, compared to IMF's 1.6%. This significant divergence might be due to the chambers' expectations of a rebound in oil and gas prices benefiting the resource-rich countries in these regions. Additionally, ongoing economic diversification efforts in several countries, could equally be fuelling optimism about higher growth this year.

2) Business Confidence and Foreign Direct Investment (FDI)

The Global Economic Survey 2024 presents an optimistic landscape for business confidence and foreign direct investment (FDI) across various regions. A considerable majority of participants indicate an uptrend in business confidence, particularly GES

⁴ International Monetary Fund, World Economic Outlook, October 2023, available at: [World Economic Outlook, October 2023: Navigating Global Divergences \(imf.org\)](https://www.imf.org/en/Publications/WEO/Issues/2023/10/01/world-economic-outlook-october-2023)

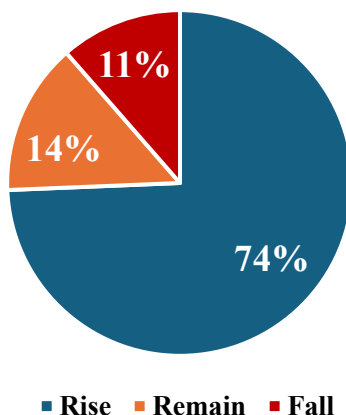
⁵ International Monetary Fund, ASEAN-5: Further Harnessing the Benefits of Regional, September 2023, available at: <https://www.imf.org/-/media/Files/Publications/WP/2023/English/wpia2023191-print-pdf.ashx>

⁶ Idem

participants from the US, Australia, UK, Türkiye, China, the Gulf, and the Asia-Pacific. This optimism could be attributed to adaptive economic policies and post-pandemic recovery strategies.

For Europe, Eurochambres anticipates business confidence to remain mostly stable, but notably DIHK for Germany is expecting a decrease for the year ahead, reflecting the heterogeneity of the economic outlook within the EU.

Over 2024, do you expect business confidence in your region/country to:

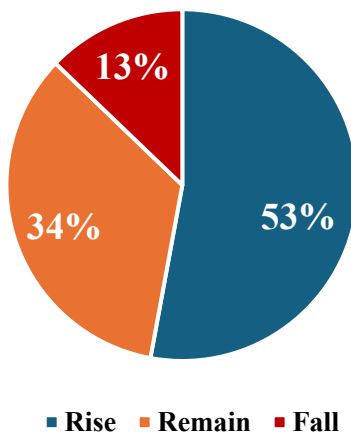


Regarding foreign direct investment (FDI), the forecast is more mixed than for business confidence, but generally positive, as projections for inflation and borrowing costs in major markets indicate a gradual stabilisation of financing conditions.

GES2024 participants, including from the US, Türkiye, China, as well as those in the Gulf, and the Asia-Pacific, predict an increase in FDI for their region in 2024, indicative of robust investment environments and the potential for expanding market opportunities. Conversely, GES participants from the UK, Korea, and Australia expect FDI to remain the same, which could be due to factors such as market saturation, fiscal policies, or geopolitical tensions.

The Eurochambres perspective is more measured, expecting an overall unchanged FDI picture compared to last year, suggesting a wait-and-see approach that may be due to the recalibration of the Single Market in response to external economic pressures.

Over 2024, do you expect FDI in your region/country to:



3) Key challenges for the global economy

As in the last edition of the global economic survey, the GES2024, finds that geopolitical tensions and instability continue to weigh the most on the global economic outlook as the preeminent challenge, reflecting the outcome of the GES2023, and emphasising the sustained impact of international conflicts, such as those ongoing in Ukraine and in the Middle East on global economic growth prospects and stability. Additionally, 2024 is shaping up to be record setting election year with an unprecedented 76 countries representing more than half the world's population going to the polls in different electoral processes⁷. That total includes eight of the world's ten most populous countries, and could explain the uncertainty that GES2024 participants are expressing this year.

While geopolitical tensions and instability rank high across the board, it is particularly highlighted by European respondents, indicating particular concern as many of the most important conflicts are taking place on its continent or in its immediate neighbourhood.

⁷ The Economist, 2024 is the biggest election year in history, November 2023, available at: <https://www.economist.com/interactive/the-world-ahead/2023/11/13/2024-is-the-biggest-election-year-in-history>

What do you consider as the key challenges for the global economy in 2024?



Furthermore, supply chain issues have risen from being the fourth most significant challenge last year, to the second biggest overall challenge facing the global economy in 2024, demonstrating sustained challenges in the uninterrupted global distribution of goods and raw materials. This challenge was noted as the top concern by the China Council for the Promotion of International Trade, showing the critical nature of logistic networks for the Chinese manufacturing sector's resilience⁸.

Energy security has surged to the third most pressing challenge for GES2024 respondents, ascending from its previous fifth-place ranking. Participants from Australia and the Asia-Pacific region have ranked it as one of their main challenges. This notable rise in concern could be attributed to several factors, including the increasing electrification of our economies, the intensifying quest for sustainable energy sources as well as the geopolitical shifts affecting oil and gas supplies.

The tightening of global financial conditions is noted as the fourth greatest challenge globally by the GES2024, with the US Chamber of Commerce, the Korea Chamber of

⁸ McKinsey & Company, Supply chain resilience - in China and everywhere else, August 2023, available at: <https://www.mckinsey.com/capabilities/operations/our-insights/operations-blog/supply-chain-resilience-in-china-and-everywhere-else>

Commerce and Industry, the Singapore Business Federation, ranking it as their number one concern. This is testament to the potential dampening effect of continued high interest rates on economic growth and investments.

Protectionism and access to foreign markets moved up one position from the previous year, rising to the fifth place overall, and was highlighted as among the top challenges for European respondents for 2024. This highlights a growing preoccupation regarding the rise of trade barriers, and underscores the importance of maintaining free and fair trade for the effective exchange of goods and services across the borders.

Rising inflation levels, which in last year's edition of the GES held the second highest spot, has descended to the sixth position this year, as peak inflation levels have come down substantially across major economies, which suggest an expectation of a further stabilisation in prices for the year ahead.

Cyber-attacks and the destabilisation of digital infrastructure, which were ranked last in the previous year, moved up two positions to the seventh position in 2024. This suggests a growing awareness among GES2024 participants of the threats posed by cyber-attacks on businesses and digital infrastructure.

The risk of a sovereign debt crisis, despite increasing borrowing costs, is not considered a top concern by GES2024 participants for the global economy this year.

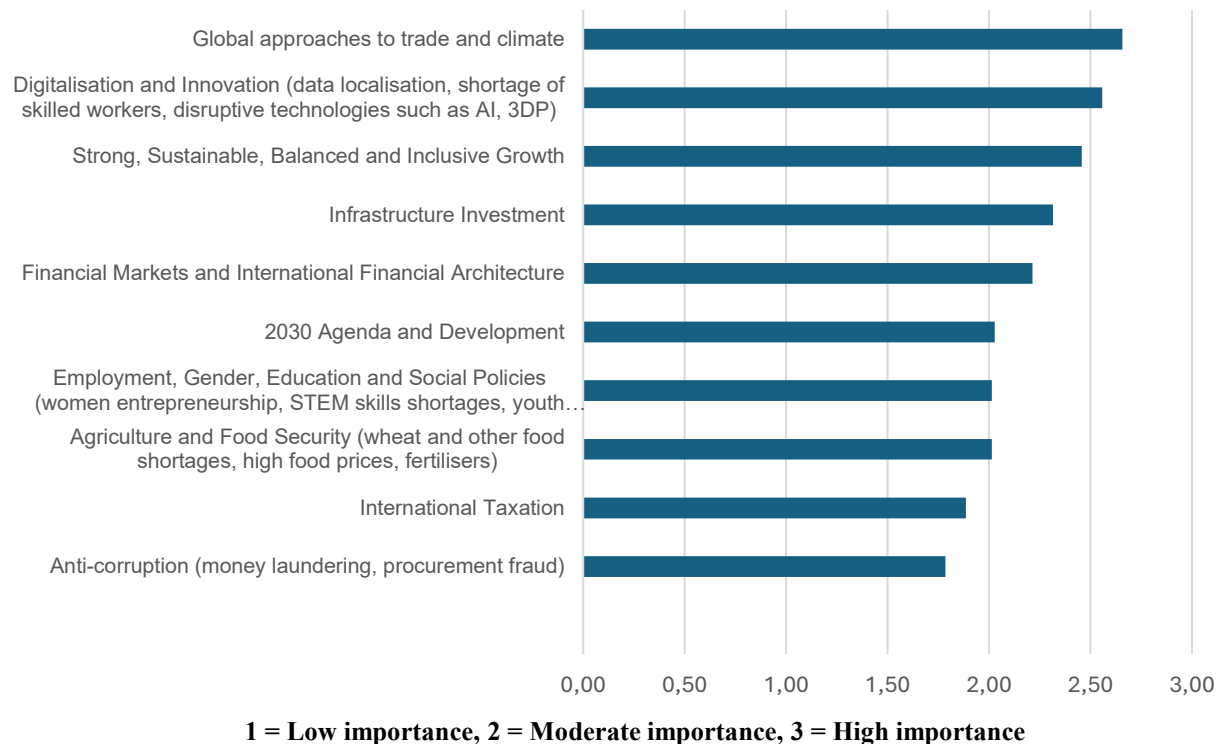
II. BRAZIL'S G20

4) Priorities for the Brazilian G20 Presidency

As Brazil took over the G20 Presidency from India at the end of last year in a context of multiple global crises, this year's GES2024 aims to identify the main priorities the global business community would like G20 Leaders to focus on.

In this regard, the GES2024 has identified forging global approaches to trade and climate as the most pressing issue for the Brazilian G20 Presidency. This comes against the backdrop of increasing unilateral regulatory action in some major economies to address carbon leakage with direct effects on international trade. The absence of common global approaches on issues such as methodologies for carbon pricing, will therefore continue to preoccupy global business.

With a view to the incoming G20 Presidency, in your opinion, which are the most pressing issues?



Digitalisation and innovation, encompassing areas such as data localization, the shortage of skilled workers, and disruptive technologies like AI and 3D printing, also received a high priority by the GES2024 participants, ranking as the second most important priority overall for this year's G20. GEs2024 participants from Europe, Singapore, the UK and Türkiye rated it as highly important.

The third-ranked priority is achieving strong, sustainable, balanced, and inclusive growth. This priority aligns with Brazil's overarching goal of sustainable development, balancing economic, social, and environmental factors, as highlighted in its G20 agenda⁹. For CCPIT and Eurochambres, this is one of the most important issues, while the United States Chamber of Commerce didn't attach a high priority to this topic for 2024.

Infrastructure investment is rated as the fourth most important issue. GE2024 participants from the Asia-Pacific, the UK, and Korea, placed high importance on this matter.

⁹ Idem

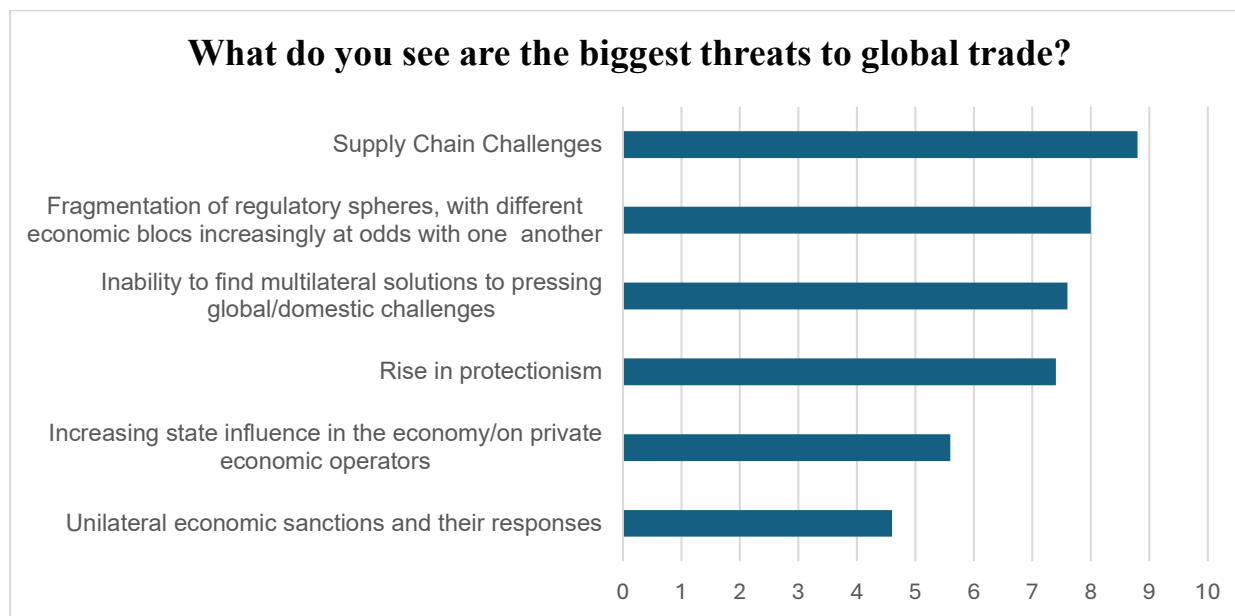
Prioritizing the 2030 agenda, underlining the global commitment to the sustainable development goals and ranked 5th overall, an area that aims to be highlighted during Brazil's G20 presidency, especially considering its pledge to global governance reform¹⁰. This topic is particularly important for the Australian Chamber of Commerce and Industry and the Federation of the Gulf Cooperation Council Chambers.

Remarkably, agriculture and food security, which held second place last year, has dropped significantly in GES2024, taking only the eighth position. This issue, however, aligns with Brazil's presidency commitment to fighting hunger, poverty, and inequality.

III. INTERNATIONAL TRADE AND INVESTMENT

5) Main threats to global trade

As witnesses during the post-pandemic recovery, international trade continues to play a pivotal role in the resilience of the global economy. However, it faces an evolving landscape of challenges and threats that could impede its progress in the medium to long term. Already in 2024 global trade growth is expected to be only half the average in the decade before the pandemic. In light of this, the GES2024 has sought to identify the principal threats to the flow of goods and services across borders.



¹⁰ Idem

As in last year's edition of the global economic survey, supply chain challenges remain at the forefront of the perceived challenges by GES participants. The complexities of these disruptions are magnified by ongoing economic headwinds, changing climate conditions such as drought induced capacity reduction in the Panama Canal, and of course the series of geopolitical tensions such as the attacks on Red Sea shipping, which are driving up costs and risks for global business. Supply chain challenges have been particularly highlighted by GES2024 participants from Singapore, Asia-Pacific, Australia, China, and the Gulf.

The fragmentation of regulatory spheres, with different economic blocs increasingly at odds, has been ranked as the second major threat to global trade by GES2024 participants. This challenge has been ranked first by participants from the UK, Türkiye, and Korea. Additionally, Eurochambres has identified this as the foremost threat to global trade, reflecting the high exposure of internationally active European companies to global markets.

The inability to find multilateral solutions to pressing global or domestic challenges maintains its status as the third greatest threat to global trade in line with the findings in last year's report. It is a particular concern for the US Chamber of Commerce, the Union of Chambers and Commodity Exchanges of Türkiye, and the Federation of the Gulf Cooperation Council of Chambers, all of which have rated it as the second biggest overall threat.

The rise in protectionism has been noted as the fourth greatest threat, indicating a slight increase in perceived risk compared to previous years. Geopolitical tensions, such as the rivalry between the US and China, but also the increasing scramble for critical raw materials have given rise to a series of new trade barriers, which could explain the worrying perception of increased protectionism. The US Chamber of Commerce has ranked it as their top concern, while for Eurochambres, this issue is viewed as the second biggest threat, with CCI France and identifying it as their primary concern.

Lastly, increasing state influence in the economy ranks fifth in terms of overall threats, while unilateral economic sanctions and their responses was identified as least significant threat, with only the FGCCC attaching some weight to it.

6) Priorities for WTO MC13

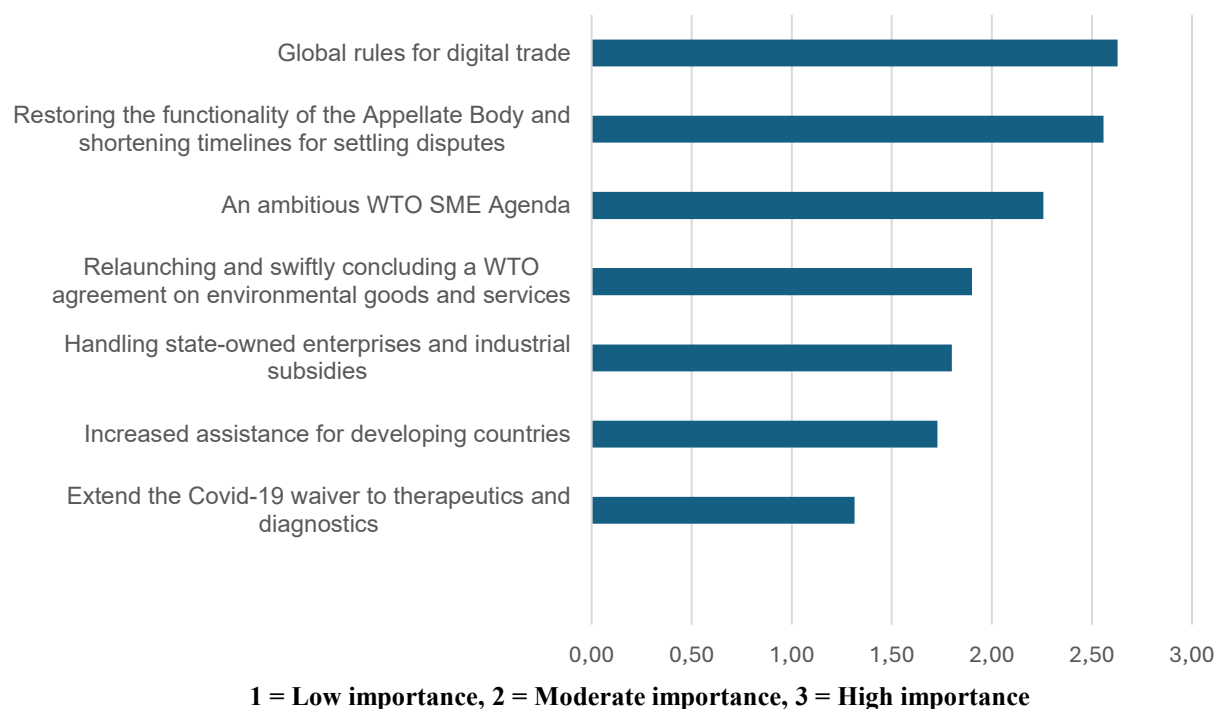
As the World Trade Organization gears up for its 13th Ministerial Conference (MC13) scheduled from 26 to 29 February 2024 in Abu Dhabi¹¹, the international business community has once again voiced its priorities through the GES2024. The engagement of the global participants shows the persistent need for reforms and updates in key areas of the multilateral trading system.

In line with last year survey, global rules for digital trade remain at the forefront of priorities for global business. This reflects a consistent call by global business for modernising trade rules to keep pace with the digital transition, while avoiding new tariffs on digitally transmitted goods and services. Digitally enabled services are the fastest growing segment of international trade, having registered an almost fourfold increase in value since 2005, outpaced growth in goods exports and other services exports to account for 54% of total services exports¹².

¹¹ World Trade Organization, The WTO's 13th Ministerial Conference (MC13), January 2024, available at: https://www.wto.org/english/thewto_e/minist_e/mc13_e/mc13_e.htm

¹² World Trade Organization, Digital Trade for Development, December 2023, available at: https://www.wto.org/english/res_e/booksp_e/dtd2023_e.pdf

In your view, for the next WTO Ministerial Conference (MC13) what areas should be prioritized?



Restoring the functionality of the appellate body and shortening timelines for settling disputes is another crucial issue that stands out from the GES2024 responses, as the predictability and effectiveness of global trade rules hinges on their ability for rules to be effectively enforced. For GES2024 participants from the US, Australia and Europe, this concern is ranked as the most pressing.

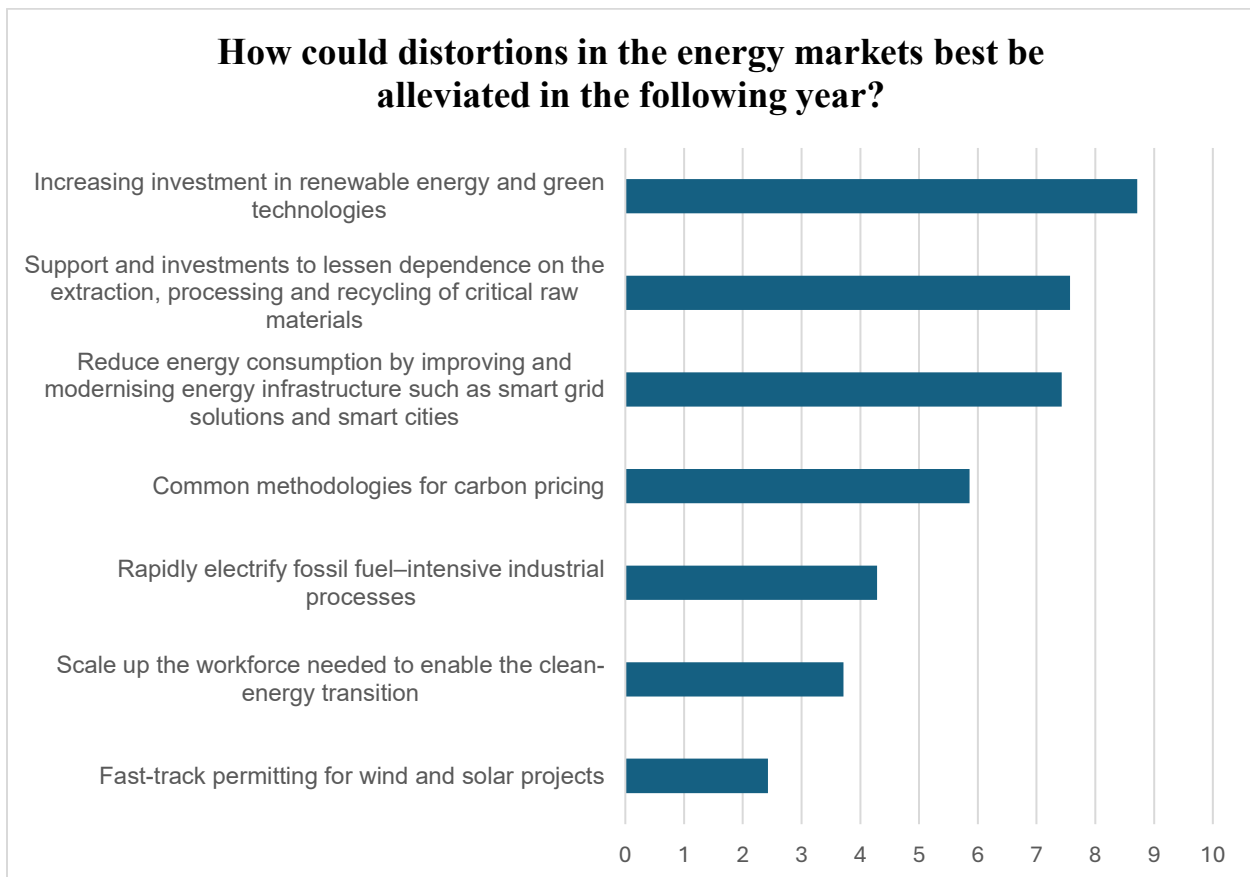
An ambitious WTO SME agenda has risen to become one of the top three global priorities, and within Eurochambres, it stands as one of primary focus. It received the highest importance from the China Council for the Promotion of International Trade. In contrast, the US Chamber of Commerce and the Union of Chambers and Commodity Exchanges of Türkiye have assigned a lower importance to this item for MC13.

The least important topic for the 13th Ministerial Conference was extending the Covid-19 waiver to therapeutics and diagnostics, according the GES2024 participants.

III. ENERGY SECURITY

7) Impact on the energy market

As energy security was a top concern for global business in 2023 in the wake of the Russian invasion into Ukraine, this year's survey tried to assess the most viable options to alleviate distortions in energy markets. In this regard, the GES2024 shows a strategic shift in focus towards renewable energy, with investment in green technologies being the top-ranked option to alleviate distortions and enhance energy security. This might reflect a growing consensus on the importance of gradually transitioning away from fossil fuels and ensure a diversified energy mix to better mitigate the risks of price volatility. Notably, GES2024 participants from Europe, Singapore, and Asia-Pacific chose this option as the most important one.



The second most favoured option according to the GES2024 is to support and invest in initiatives that lessen dependence on the extraction, processing, and recycling of critical raw materials, a strategy prioritised by GES2024 participants from Türkiye, China, and Korea.

Reducing energy consumption by improving and modernising energy infrastructure, such as smart grid solutions and smart cities, is another key solution in alleviating energy distortions, ranking third overall. Chambers from the US and the Gulf prioritised this as their first option. This aligns with global trends towards energy efficiency and could signal a move towards more integrated and responsive energy systems.

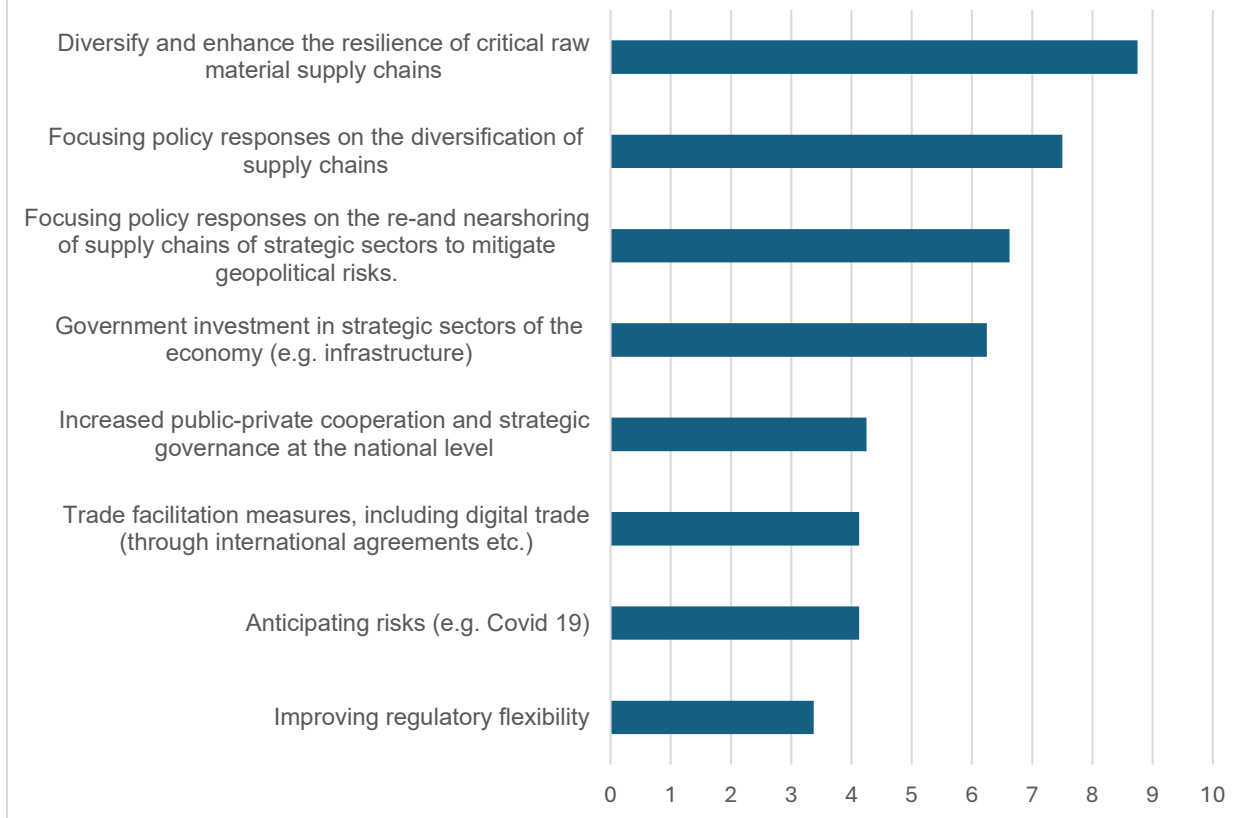
The complexity of finding common methodologies for carbon pricing, ranks fourth, with only the Australian Chamber of Commerce and Industry considering it their main option. Meanwhile, while the rapid electrification of fossil fuel-intensive industrial processes is not seen as one of the top priorities by GES2024 participants overall, the British Chambers of Commerce have ranked this as their top option to alleviate distortions in energy markets.

IV. Supply Chain Resilience

8) Public policy responses to bolster supply chain resilience

In the GES2024, participants, comprising major chambers of commerce and trade organisations worldwide, have shared their insights on effective public policy interventions that governments could undertake to bolster supply chain resilience.

What are the most effective public policy responses that governments could undertake?



According to the GES2024, the highest-ranked policy option that governments could undertake is diversifying and enhancing the resilience of critical raw material supply chains. This approach has garnered support from various organisations, including Eurochambres, Singapore Business Federation, CCPIT, and KCCI, prioritising it as their primary policy response. This choice underscores a growing recognition of the importance of securing raw material supply chains for the effective decarbonization of the economies, against a backdrop of rising demand and geopolitical constraints.

Closely behind, focusing public policy responses on the diversification of supply chains is the second most preferred response by the GES2024, particularly supported by the British Chambers of Commerce and the Confederation of Asia-Pacific Chambers of Commerce and Industry. This reflects an inclination towards an active trade policy that can promote a broad-based diversified supply chain network for businesses.

Focusing policy responses on the re-and nearshoring of supply chains of strategic sectors has been identified as the third most effective policy by the GES2024 participants. Government investment in strategic sectors of the economy, such as infrastructure, is recognised as the fourth priority. The Union of Chambers and Commodity Exchanges of Türkiye regards this as the most significant option, underlining the role that state participation can have in bolstering economic stability.

Interestingly, the policy of anticipating risks, such as potential global health crises exemplified by Covid-19, was chosen as the first option solely by the Australian Chamber, resulting in a seventh-place overall ranking. Similarly, improving regulatory flexibility finds itself as the least preferred option by the GES2024, with a preference expressed only by the US Chamber of Commerce.

V. Digitalization

9) Pace of digital transition for SMEs

The pace of digital transition for SMEs continues to be a critical component in fortifying the resilience of businesses globally. Digitalization not only augments a business's ability to adapt to unexpected economic shocks but also plays a fundamental role in sustaining competitiveness.

In assessing the digital transition's progress, it's evident that SMEs have embraced varying degrees of transformation. While a fraction has fully integrated digital operations, leveraging the versatility of digital services and online platforms, a significant portion remains in the process of discovering methods to convert digital adoption into lasting resilience and market competitiveness¹³.

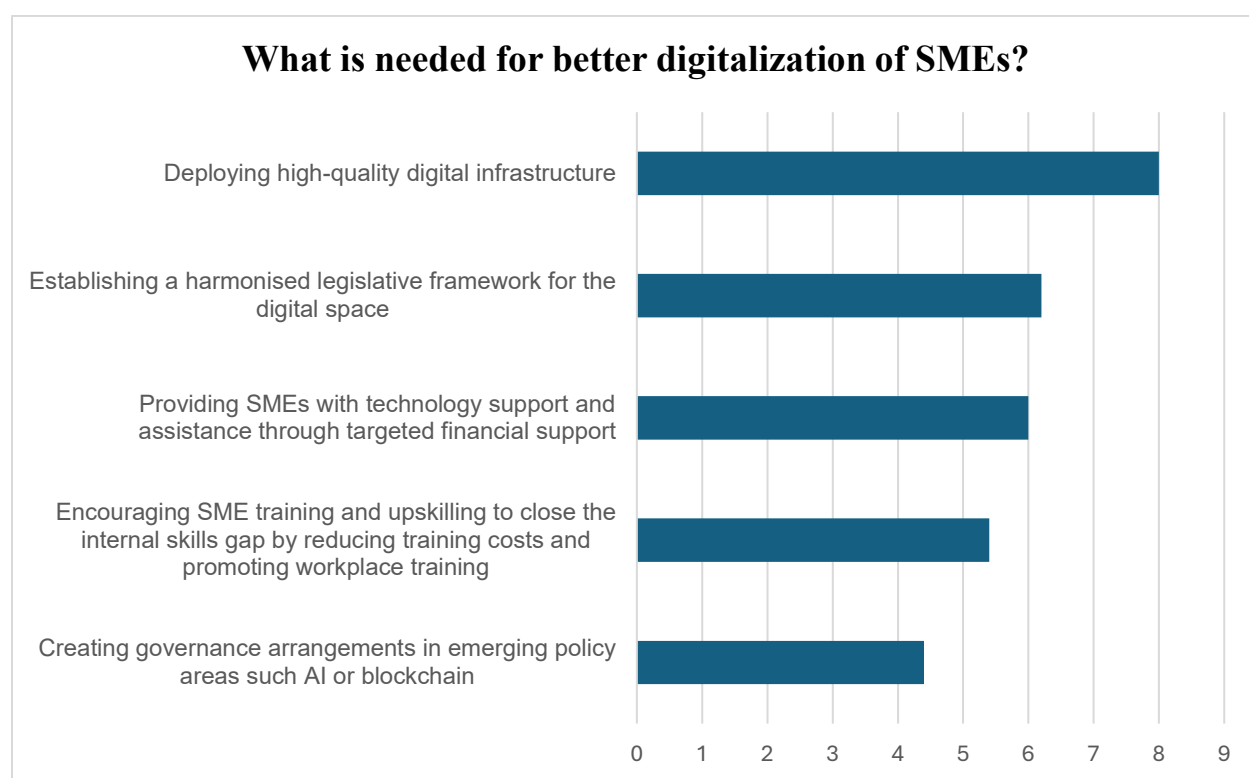
Participants to the GES2024 have been tasked with evaluating the digital transition pace of SMEs within their respective countries or regions.

In this sense, the deployment of high-quality digital infrastructure, has been ranked as been ranked first with utmost priority. Participants from Europe, Australia, Türkiye, the UK, and China, have identified this option as their number one choice, recognising that robust digital infrastructure is essential for SMEs to connect, operate, and innovate effectively in today's digital economy.

¹³ World Economic Forum, Smaller and mid-sized businesses are fighting for survival, July 2023, available at: <https://www.weforum.org/agenda/2023/07/digital-transformation-potential-smes/>

Following closely as the second most preferred option is the establishment of a harmonised legislative framework for the digital space. The Chambers from the United States and the Gulf region consider this their highest priority, reflecting a shared belief in the need for regulatory environments that support digital business models and facilitate cross-border digital activities.

The third strategic focus is on providing SMEs with technology support and assistance through targeted financial support. This approach is particularly supported by participants from Singapore and the Asia-Pacific region. For Eurochambres, this is the second-highest priority solution.



Encouraging SME training and upskilling to close the internal skills gap by reducing training costs and promoting workplace training, represents the fourth overall priority according to the GES2024. The Korea Chamber of Commerce and Industry has ranked this as the most important tool to foster the digitalization of SMEs. Upskilling is crucial for SMEs to leverage digital tools efficiently.

Lastly, the creation of governance arrangements in emerging policy areas such as artificial intelligence (AI) or blockchain has been identified as the fifth overall priority. This

solution is particularly emphasised by GES2024 participants from the United States, Australia, and the Gulf.



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