

dun & bradstreet

Global Business Optimism Insights

Q4 2023

- BUSINESS
- NETWORKING
- SOCIAL NETWORKING
- TECHNOLOGY
- MEDIA
- CREATIVE
- FINANCE
- INVESTMENT
- CULTURE
- ECONOMY

Introduction

Dun & Bradstreet's Global Business Optimism Insights (GBOI) is a quarterly report that aims to gauge the optimism levels of businesses globally and provides a unique and comprehensive view into the thinking behind the growth, operational, and investment expectations of business leaders.

The GBOI is an amalgamation of five indices: Global Business Optimism Index, Global Business Supply Chain Continuity Index, Global Business Financial Confidence Index, Global Business Investment Confidence Index, and Global Business ESG Index. The first four indices capture business expectations for the coming quarter, while the ESG index captures the sentiments on key ESG attributes in the current quarter.

All five indices are constructed for 32 economies across 17 sectors and 3 business sizes, synthesized from a survey of approximately 10,000 businesses conducted in September 2023. The findings from the survey are supplemented with insights from Dun & Bradstreet's proprietary data and economic expertise. All index values range from 0 to 100, with a reading above 50 indicating an improvement and below 50 a deterioration in optimism.

Key Findings

The survey results suggest that prior to the outbreak of the Israel-Hamas conflict, businesses were optimistic about the resilience of the global economy in Q4 2023 compared with earlier expectations. The survey was conducted in September and so does not capture sentiment associated with the conflict. We expect the impact on confidence levels, with regards to overall optimism and supply chains, to play out over the coming quarters. Geopolitics aside, the lagged effects of recent monetary policy tightening also pose downside risks to the global economy. A marginal dip in the outlook for business investments and adoption of ESG practices also indicates that businesses remain cautious. On the other hand, businesses are optimistic about financial conditions, as interest rates are believed to have peaked globally. Similarly, supply chain normalization over most of 2023 is likely behind higher confidence in supply chain continuity.





The stability in the **Global Business Optimism Index** reflects that prior to the outbreak of the Israel-Hamas conflict, businesses were optimistic about the resilience of the global economy in Q4 2023 compared with earlier expectations.



The **Global Business Supply Chain Continuity Index** increased 1.1% in Q4 2023, indicating a stable outlook compared with the previous quarter. However, ongoing challenges caused by geopolitical tensions (including potential disruption from the Israel-Hamas conflict), labor disputes, and disruptions in key global trade routes remain downside risks.



The **Global Business Financial Confidence Index** increased 4.2% in Q4 2023, compared with Q3 2023, suggesting higher confidence among businesses to cope with tighter financial conditions; while bankruptcies may be on the rise, they remain modest even in the face of unprecedented monetary tightening. Businesses are also starting to signal increased confidence because of the widespread belief that the interest rate cycle has peaked.



The **Global Business Investment Confidence Index** declined 0.6% in Q4 2023, compared with Q3 2023. The pull back could be attributed to a considerable number of firms reporting 'significantly above normal' inventory of finished goods.



The **Global Business ESG Index** declined 4.7% from the previous quarter in Q3 2023, signaling shifting priorities for businesses, which are trying to maintain a delicate balance between their short-term financial obligations and ESG commitments.

Index	Q2 2023	Q3 2023	Q4 2023
(A) Global Business Optimism Index	53.3	52.5	53.5
(B) Global Business Supply Chain Continuity Index	53.7	50.6	51.1
(C) Global Business Financial Confidence Index	52.8	52.2	54.4
(D) Global Business Investment Confidence Index	52.7	53.4	53.1
(E) Global Business ESG Index	60.9	58.1	-

By Sector

Sector	(A)	(B)	(C)	(D)	(E)
Accommodation and food service activities	54.7	50.0	51.7	55.2	58.4
Construction	53.1	51.7	51.4	51.7	58.3
Financial and insurance activities	52.0	50.0	53.1	52.0	59.7
Information and communication	55.0	50.0	54.8	53.4	58.1
Mfg.: automotive	52.9	54.5	53.2	52.5	59.3
Mfg.: capital goods	52.7	53.6	53.8	60.4	57.3
Mfg.: chemicals, rubber, plastics, and pharma	53.3	50.1	51.6	54.4	57.1
Mfg.: electricals, electronics, and hardware	54.4	52.6	52.6	49.4	59.0
Mfg.: food, beverages, and tobacco	54.1	60.5	56.7	57.4	57.0
Mfg.: metals	53.0	53.8	57.9	60.0	53.9
Mfg.: textiles, wood, paper, and leather	52.0	51.3	59.0	53.1	56.5
Mining	55.0	43.7	57.6	51.2	59.9
Other services – professional and administrative	53.0	50.0	54.8	50.5	59.1
Real estate activities	52.3	50.0	53.8	49.9	58.5
Transportation and storage	57.2	50.0	56.0	49.2	56.5
Utilities	54.9	50.7	55.8	52.6	58.1
Wholesale and retail trade	53.7	51.3	54.8	55.0	57.5



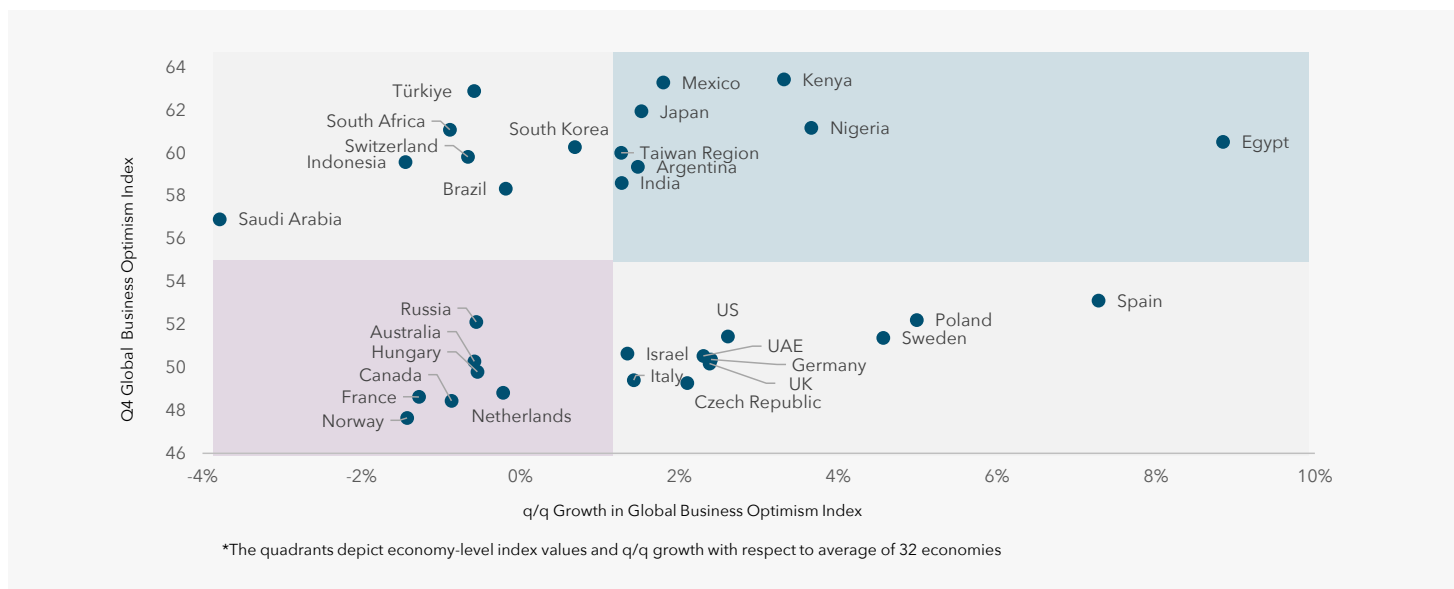
D&B Global Business Optimism Index

D&B Global Business Optimism Index

Key Findings

- The stability in the Global Business Optimism Index reflects that prior to the outbreak of the Israel-Hamas conflict, businesses were optimistic about the resilience of the global economy in Q4 2023 compared with earlier expectations.
- The increase in optimism is visible among firms of all sizes. For mid-sized firms, the optimism level is not only the highest, but also the steepest (+2.5%) for Q4 (54.1) as compared with Q3 (52.8).
- Optimism levels in emerging economies (57.9) continue to be higher than in advanced economies (52.1), a reflection of weak economic performance in European advanced economies such as the UK, Germany, and Italy, where optimism levels are below the global average.
- Businesses in Norway (47.6), Canada (48.4), and France (48.6) have the least optimistic view of Q4 2023, whereas those in Mexico (63.3), Japan (62), and India (58.6) are among the most optimistic.
- Businesses in the mining sector saw the biggest jump in optimism levels (+6.9%), from 51.5 in Q3 2023 to 55 in Q4 2023, whereas those in manufacturing of textiles, wood, paper, and leather reported the sharpest decline (-2%), from 53.1 in Q3 2023 to 52 in Q4 2023.
- Globally, there was a substantial surge in optimism regarding the pricing of goods and services (54.9) and hiring (52.1), with both sub-indices increasing 4% q/q; simultaneously, rising prices of commodities, particularly oil, showed up in the drop in confidence (-2% vs. Q3 2023) regarding input prices of raw materials.

Quadrant of Optimism – Global Business Optimism Index



Firm Size – Global Business Optimism Index

Period	Small	Medium	Large
Q3 2023	52.6	52.8	52.3
Q4 2023	53.8	54.1	52.7

Among advanced economies, Swiss, Japanese, and South Korean businesses exhibit optimism about securing new export orders, while their counterparts in Canada, Germany, and the UK have a lower level of optimism to this end. Japanese businesses are also confident of maintaining or improving profitability in the coming quarter, while those in the UK indicate pressure on their profitability.

Businesses in emerging economies are more optimistic about all sub-components of the Global Business Optimism Index, except the sub-index for input and raw material costs, which at 45.3 was significantly below the 50-threshold denoting optimism. The outcome is not surprising because businesses in these economies are disproportionately affected by rising raw material costs, and the recent surge in prices of oil, natural gas, and grains such as rice may have accentuated these concerns. Separately, businesses in European economies integrated with the German supply chain – such as the Czech Republic, Hungary, and Poland – report a below-average level of optimism regarding sales expectations for the next quarter. These observations align with both global and regional economic dynamics.

Growth optimism among financial services businesses; textiles, wood, paper, and leather manufacturers; and real estate businesses is the lowest, whereas those in the transportation and storage, mining, and information and

communication sectors exhibit the highest optimism. The group of textile, wood, paper, and leather manufacturers are the least optimistic about sales for the next quarter, anticipating weak demand from domestic markets. Automotive manufacturers are the most pessimistic about maintaining profitability, primarily due to the pressures of high input costs. Interestingly, they are the most optimistic about hiring across sectors and have a positive outlook on sales, mostly from domestic markets, despite reporting weak prospects of new export orders.

Survey results indicate that globally nearly one in five firms report order books that are at levels considered ‘significantly above normal’. And while mid-sized firms are the most optimistic about sales expectations from Q4 2023, small firms are most worried about profitability, primarily due to the rising cost of inputs. One in four large firms also reports significantly above-normal levels of finished inventory.

Before the outbreak of conflict with Hamas, Israeli businesses had a modest but marginally improving level of optimism (+1.3% vs. Q3 2023). We expect that trend to reverse as early signs indicate that the conflict is expected to be protracted. Businesses in Israel were also the least optimistic about hiring in the next quarter, and this trend will likely worsen in the near term as mobilization of troops and reservists will draw resources from the existing labor pool.

Sub-indices – Global Business Optimism Index





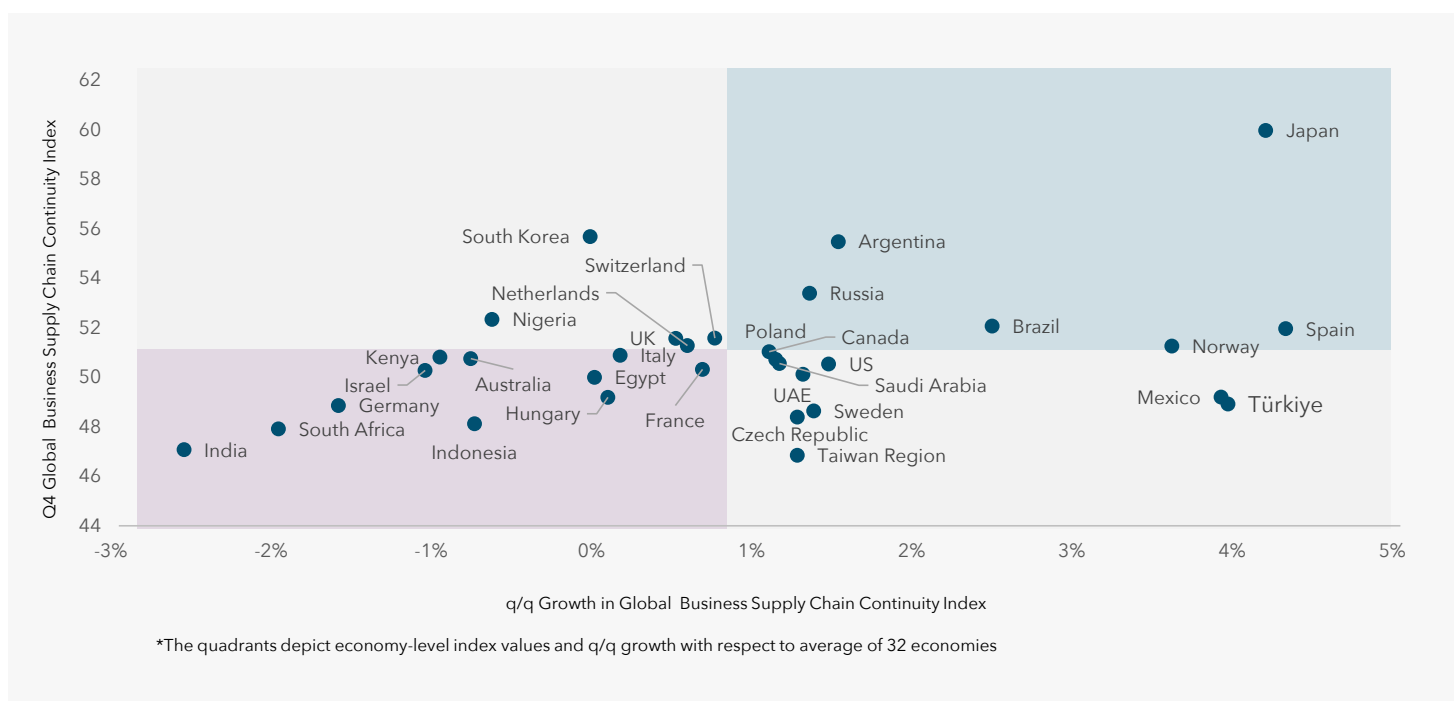
D&B Global Business Supply Chain Continuity Index

D&B Global Business Supply Chain Continuity Index

Key Findings

- The Global Business Supply Chain Continuity Index increased 1.1% in Q4 2023, indicating a stable outlook compared with the previous quarter. However, ongoing challenges caused by geopolitical tensions (including potential disruption from the Israel-Hamas conflict), labor disputes, and disruptions in key global trade routes remain downside risks.
- Globally, one in four metals manufacturers and one in five electrical and electronics manufacturers express lack of confidence in the resilience of their supply chains to cope with future disruptions or challenges.
- Globally, one in five respondents have made claims of holding excess finished inventory.
- In Q4 2023, both large and mid-sized firms displayed improvements in their supply chain continuity. Large firms saw a notable increase of 2.4%, while mid-sized firms showed a modest improvement of 1.0%. Conversely, small firms experienced a slight decline of 0.5% in their supply chain continuity index. This survey underscores the fact that while larger companies are witnessing supply chain improvements, smaller businesses continue to grapple with supply shortages, both on a local and global scale.
- Supply chain conditions in advanced economies are relatively stronger than those in emerging economies. In advanced economies, the index is at 51.5, indicating optimism, while at 49.9, optimism level is deteriorating in emerging economies.
- While both advanced and emerging economies show improvements in their overall indices, the rate of improvement in advanced economies, at 1.2%, outpaces the 0.6% improvement observed in emerging economies.
- Supply chain continuity has improved the most for food and beverages manufacturing (5%).
- At 43.7, the mining sector saw a 2% decline and had the lowest optimism level. This decline can be attributed to factors such as volatile oil and gas prices and political and social unrest in resource-rich countries in Latin America and Africa.

Quadrant of Optimism – Global Business Supply Chain Continuity Index



Firm Size – Global Business Supply Chain Continuity Index

Period	Small	Medium	Large
Q3 2023	50.5	51.1	50.3
Q4 2023	50.2	51.6	51.5

While the survey paints a positive outlook for supply chain continuity, it's important to note that the improvements are somewhat directional. Challenges persist due to the Israel-Hamas conflict, U.S. Mainland China trade tensions, the Russia-Ukraine crisis, labor strikes across multiple nations, particularly in Europe, and the congestion, disputes, and disruptions in various sea routes and waterways.

Japan stands out with the highest supply chain optimism globally, boasting an index value of 60, a 4% q/q improvement. The economy excels in both delivery time and suppliers' cost. Japanese manufacturers have effectively diversified their supply sources, maintained peaceful trade routes, and leveraged beneficial trade agreements to achieve this high level of optimism.

Optimism levels are also on the rise across Central and Eastern European countries, notably Poland and the Czech Republic. These nations benefit from nearshoring and friend-shoring, a thriving supply chain strategy where industrialized countries such as Germany, France, and Italy outsource a significant portion of their needs to nearby, cost-effective centers in Central and Eastern Europe. This approach helps reduce supply costs and ensures a more robust supply chain engagement.

Sweden and Western European countries such as Germany, France, and Italy find themselves in the lowermost quadrant of the supply chain continuity index chart. These nations are grappling with heightened pressures as their manufacturing supply chains face the challenges of soaring energy costs, shortages of raw materials, and escalating wages due to labor shortages, particularly in the transportation and logistics sector.

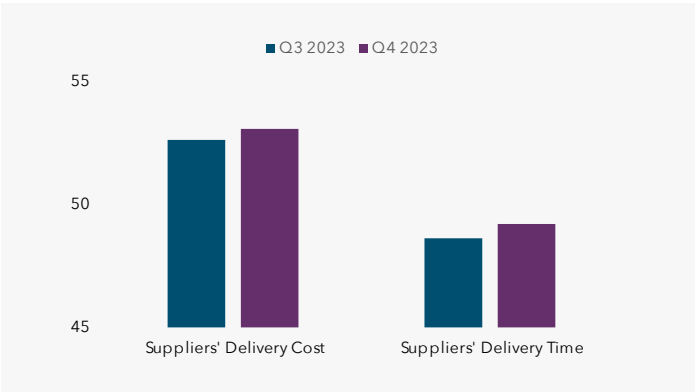
Emerging economies such as India, South Africa, Indonesia, Egypt, and Kenya are at the lower end of the supply chain continuity index, reflecting the fragile nature of their supply chains.

The variance in the supply chain continuity index, with some countries, regions, and sectors showing improvement, while others face higher downside risks, is attributed to local conditions, trade routes, proximity to natural resource hubs, and bilateral agreements. These factors play a critical role in helping industries stay competitive and effectively manage supplier vulnerabilities.

Both delivery time and cost indices show marginal improvements as businesses across sectors have tried to improvise and diversify their supplies. However, the primary supply chain challenges facing the global economy, especially in continental Europe and emerging economies, remain significant.

In terms of suppliers' delivery cost, advanced economies – especially the U.S., Japan, South Korea, and Norway – have been able to reduce their delivery costs primarily due to their supply chain routes being more secure than others and because they rely more on continuing to work with their existing suppliers.

Sub-indices – Global Business Supply Chain Continuity Index





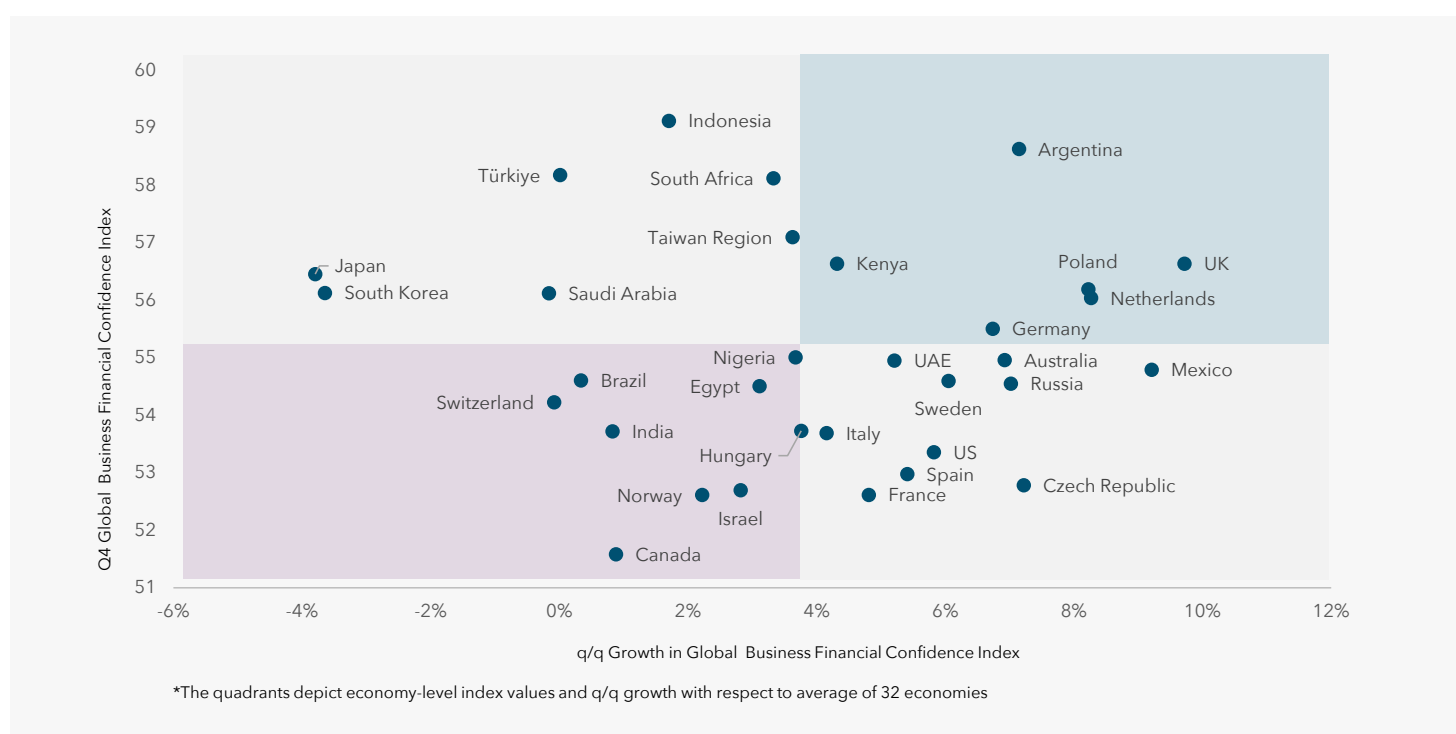
Global Business Financial Confidence Index

D&B Global Business Financial Confidence Index

Key Findings

- The Global Business Financial Confidence Index increased 4.2% for Q4 2023 to 54.4, suggesting higher confidence among businesses to cope with tighter financial conditions.
- The indicator saw sharp improvements across advanced (+4.5%) and emerging economies (+3.3%); emerging economies hold a more confident view of financial conditions, at 55.5, compared with advanced economies at 54.1.
- Indonesia (59.1) ranks at the top of our Global Business Financial Confidence Index, though lower than global average growth. Canada (51.6) is also witnessing a similar trend but from a much lower base.
- At the global level, manufacturers of textiles, wood, paper, and leather record the highest index score of 59.0, followed by manufacturers of metals at 57.9 and the mining sector at 57.6. Accommodation and food services (51.7) and construction (51.4) ranked the lowest.
- At the global level, firms of all sizes report better financial confidence than Q3 2023, led by mid-sized firms (55.3) and small firms (54.3); the scores of both categories improved 4.6% q/q. The index score of large firms rose to 53.7 vs. 51.8 in Q3 2023 (+3.7%).

Quadrant of Optimism – Global Business Financial Confidence Index



Firm Size – Global Business Financial Confidence Index

Period	Small	Medium	Large
Q3 2023	51.9	52.8	51.8
Q4 2023	54.3	55.3	53.7

Among advanced economies, the UK heads the index with a score of 56.6, followed closely by Japan with a score of 56.5. The UK not only achieved the highest score, but also posted the most significant growth in the quarter at 10%. This positive narrative around the economy's financial confidence is backed by the Bank of England's recently released results of its annual UK banks stress test. The result found that every bank was sufficiently strong to withstand a severe economic shock and pointed towards improved capital ratios and better regulatory changes.

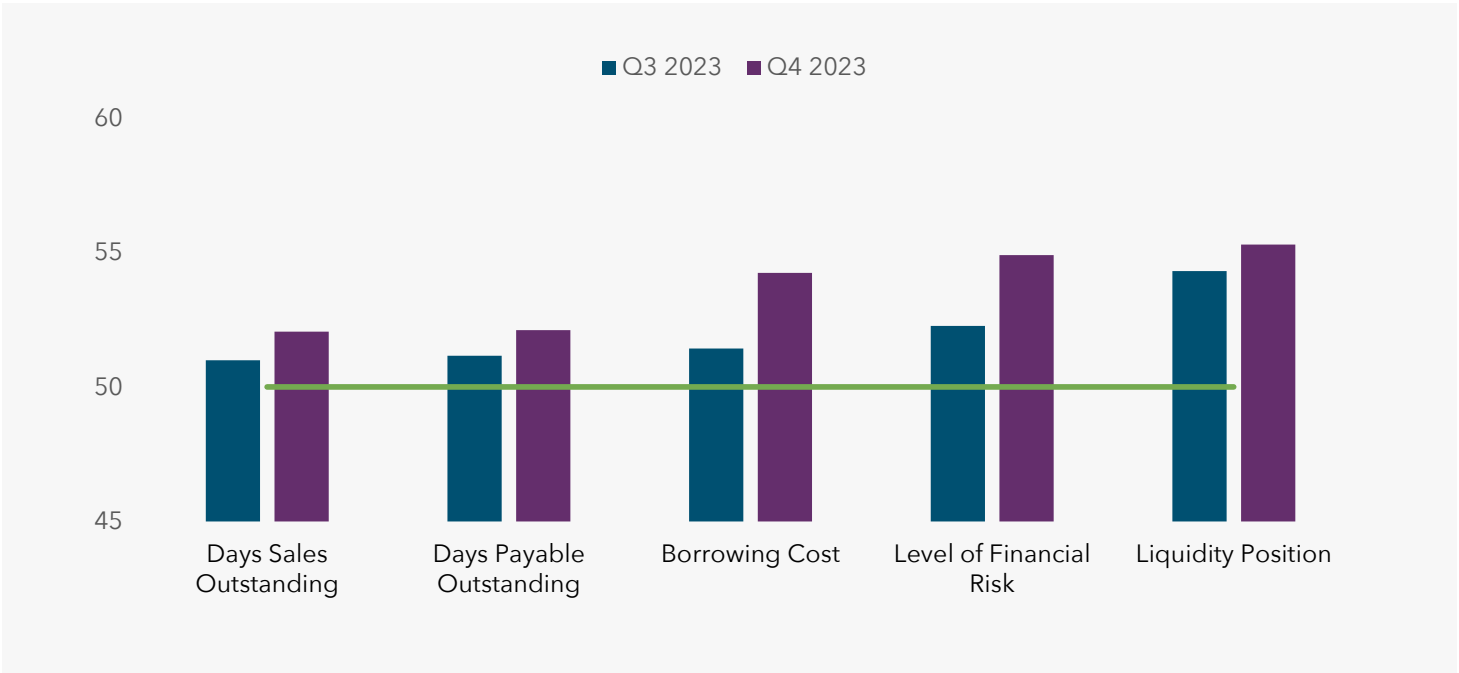
High interest rates and soaring building costs have dramatically reduced the demand for new buildings in Europe, and it is indeed this region that reveals some of the worst incidences of financial confidence within the construction sector, most notably in France, the Czech Republic, and Italy.

The global economy's resilience, supported by strong policy responses to mitigate systemic risks and the anticipated peak in leading central bank

policy rates in Q3, bolsters confidence in business finances for Q4 2023 and the year ahead. While global inflation risks and volatility have diminished, recent surges in world energy prices and persistent price pressures in specific countries serve as a foundation for keeping interest rates high.

In advanced economies, businesses are shifting their focus towards when monetary policy easing will commence. Although our global index indicates improvement this quarter, there are localized vulnerabilities at the regional and economy levels. Businesses will contend with varying degrees of pressure stemming from high borrowing costs, elevated debt levels, and cost-of-living crises, increasing the risk of bankruptcy. Sectors such as construction may face heightened solvency challenges due to exposure to rising material, energy, and labor costs, along with delays in government infrastructure projects.

Sub-indices - Global Business Financial Confidence Index





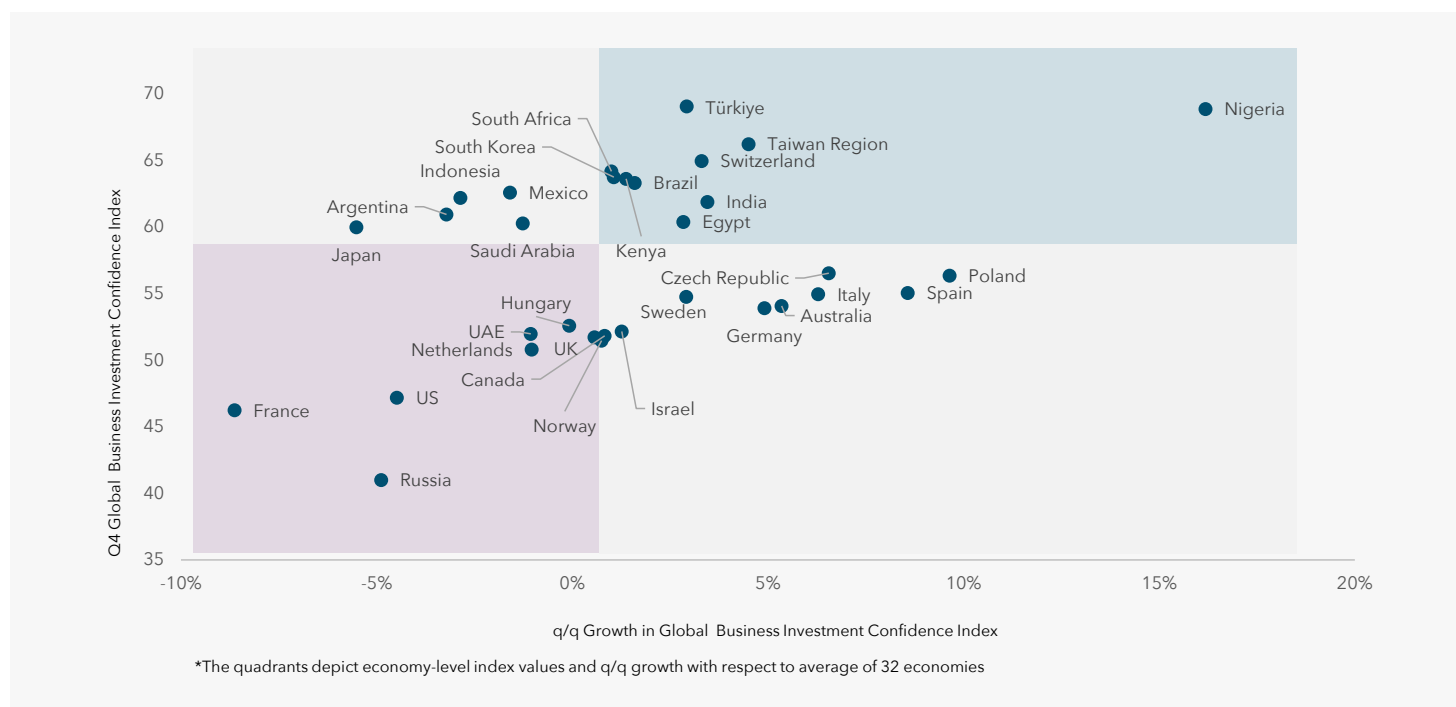
D&B Global Business Investment Confidence Index

D&B Global Business Investment Confidence Index

Key Findings

- The Global Business Investment Confidence Index fell 0.6% to 53.1 for Q4 2023. Although the reading reflects a high absolute level of optimism, the decline could be attributed to a substantial number of firms reporting 'significantly higher-than-normal' levels of finished goods inventory, especially in comparison to their order books.
- Among advanced economies, Switzerland (64.9) remains an outperformer, seeing a 3% jump from an already high level of investment confidence; France (46.2) is on the other end of the spectrum, witnessing a 9% decline to a low level of investment confidence.
- Globally, manufacturing firms exhibit the highest level of confidence when it comes to making investments. Among them, manufacturers of capital goods (60.4), metals (60.0), and food and beverages (57.4) stand out in showing the most significant improvements in business investment confidence.
- At the global level, small firms have the highest business investment confidence – five index points more than large firms, at 57.3, compared with 52.2. Mid-sized firms have a worsening view of investment confidence; the score for Q4 2023 has deteriorated to 49.6 from 53.2 in Q3 2023, slipping below the 50-mark separating improved optimism from deteriorating optimism.

Quadrant of Optimism – Global Business Investment Confidence Index



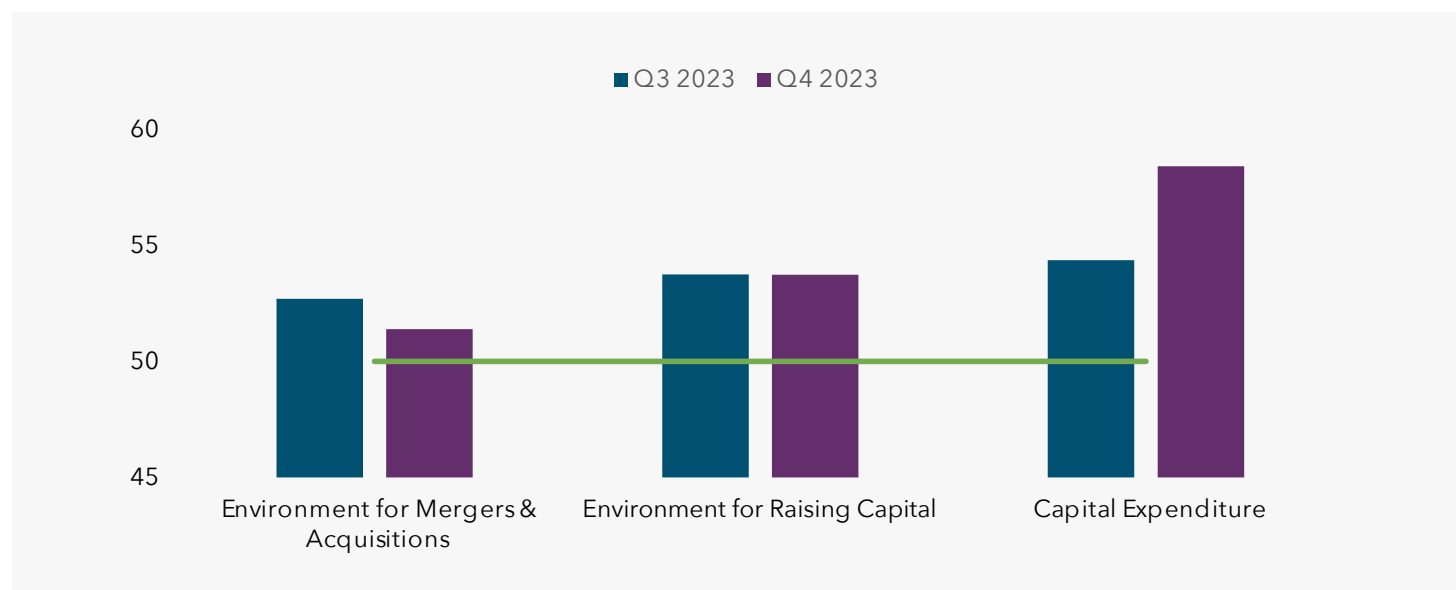
Firm Size – Global Business Investment Confidence Index

Period	Small	Medium	Large
Q3 2023	54.0	53.2	53.1
Q4 2023	57.3	49.6	52.2

Among advanced economies, Switzerland's performance is hardly a surprise. The D&B Country Insight Report for Switzerland assigns a minimal political risk rating and an exceptionally highly rated regulatory environment – both corroborating factors supporting confident investment decisions and high market potential. Interestingly, Spain saw a large increase over the quarter, which aligns with several upgrades to our risk assessment of Spain, including to the credit and market environments.

Among emerging economies, Nigeria reported the biggest jump in investment confidence for Q4 2023. This improvement appears to be linked to the recent election of President Bola Tinubu and the reform agenda he introduced. Thus far, he has ended the system of multiple exchange rates, which is expected to make business transactions easier, and has removed fuel subsidies, which will likely encourage government spending towards growth-enhancing projects.

Sub-indices – Global Business Investment Confidence Index

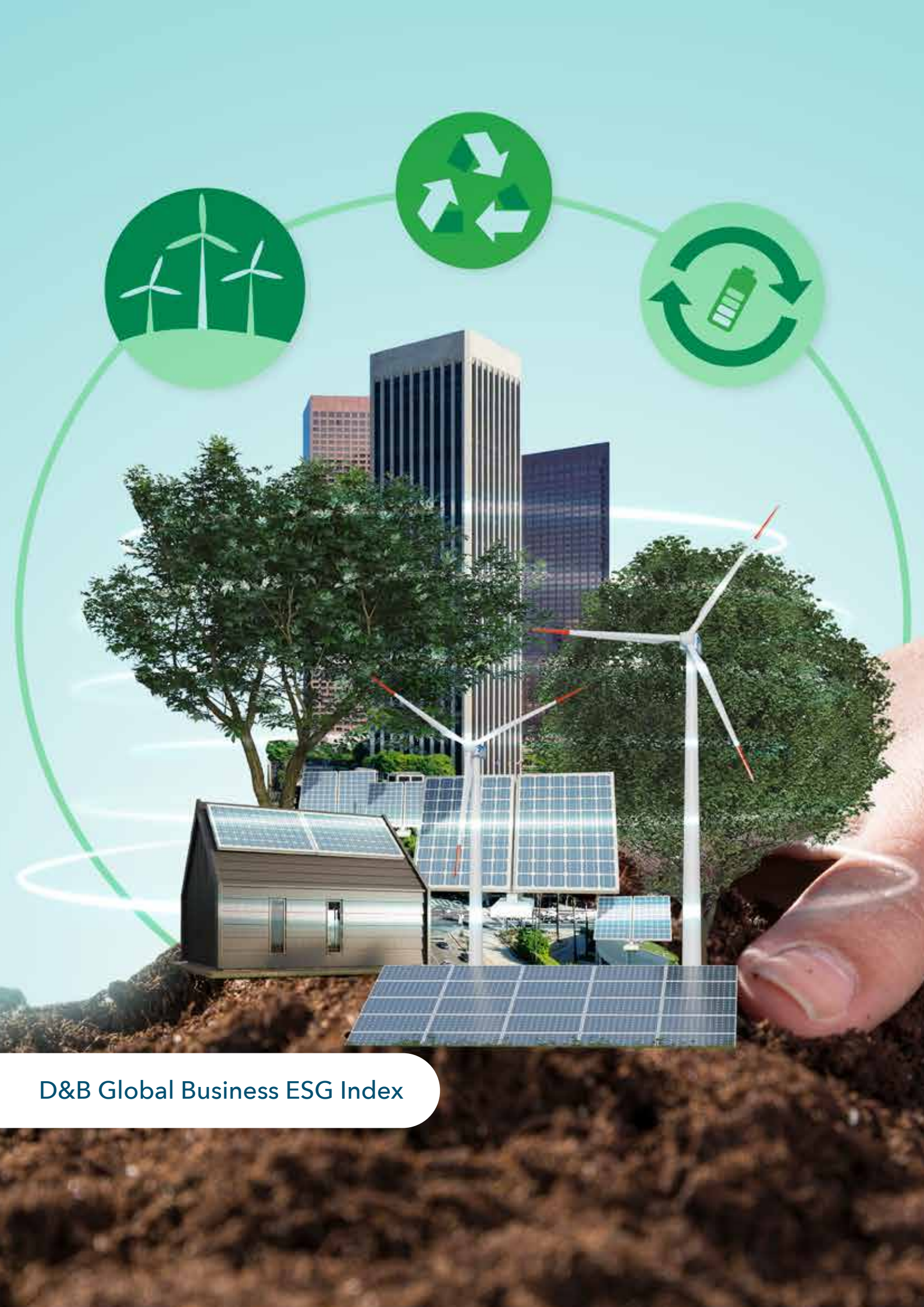


Irrespective of size, all firms surveyed within emerging economies are relatively confident about investments, with mid-sized firms the most confident. Conversely, in advanced economies, only small firms are clearly confident about investing, large firms barely meet the improvement criteria, and mid-sized firms responded with an outright deterioration in investment confidence for the coming quarter.

Investment confidence of manufacturers of capital goods is particularly high in the U.S., which corresponds with a broad policy push to support investment activity and job creation. Given the generally tight financial conditions globally, real estate firms suffered the sharpest sectoral drop compared with the last quarter, falling 6%. Mining firms saw the next largest quarterly fall, reflecting softer global demand for commodities.

The slight fall (-0.6%) in the Global Business Investment Confidence Index indicates a still

positive but more cautious investment environment. This pullback may be closely tied to an already high inventory position; in the U.S. alone, over 30% firms reported 'significantly higher-than-normal' levels of inventory. Moreover, despite the onset of 2023 being marked by concerns of recession, soaring inflation rates, and financial market turbulence, the global economy, while not completely free from challenges, has not performed as poorly as initially anticipated. Led by the U.S. Federal Reserve, European Central Bank (ECB), and the Bank of England (BoE), interest rates across most of the advanced economies have continued to rise through 2023, seemingly only reaching a plateau in Q3. Yields on benchmark 10-year U.S. Treasuries have risen to near two-decade highs and the fall in our investment confidence index is in part also a reflection of higher interest rates making borrowing more expensive, as the lagged effects of almost two years of policy tightening feed through into the real economy.



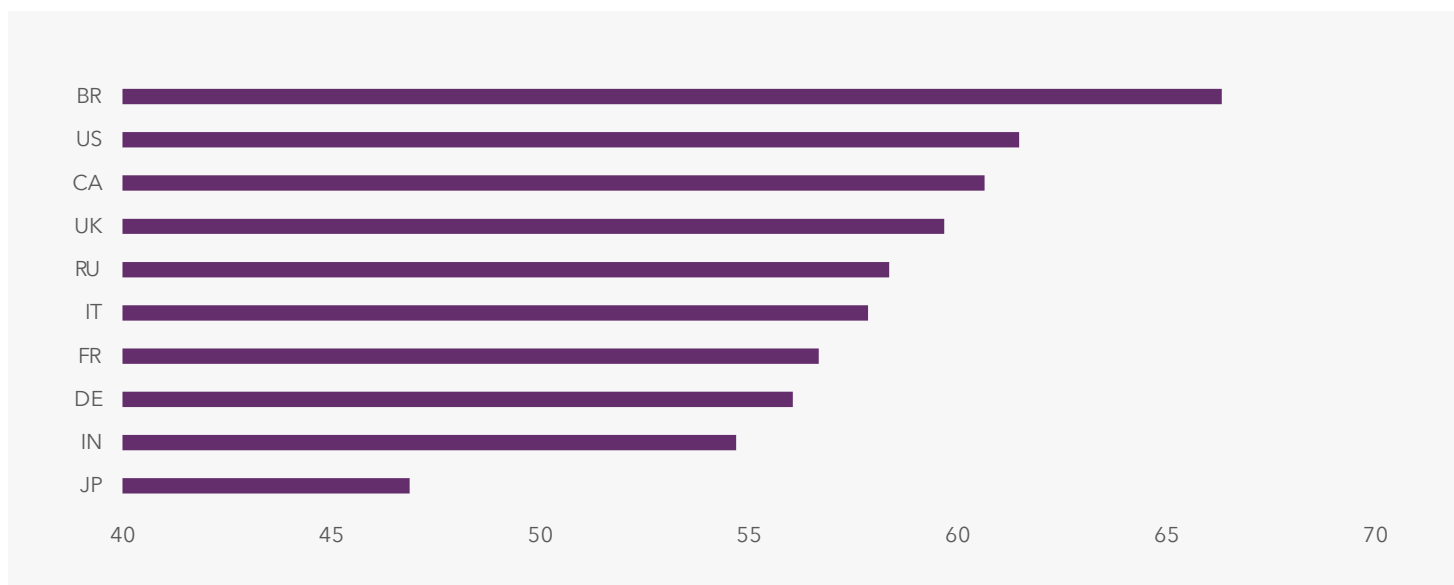
D&B Global Business ESG Index

D&B Global Business ESG Index

Key Findings

- The Global Business ESG Index declined 4.7% in Q3 2023 from the previous quarter, signaling shifting priorities for businesses, which are trying to maintain a delicate balance between their short-term financial obligations and ESG commitments.
- The decrease is primarily driven by advanced economies, which experienced a 5.2% drop, yet remain at a robust 58.3. Emerging economies also witnessed a 3.1% decline (though limited) in the sentiment index, reaching 57.4.
- Among advanced economies, South Korea and Japan experienced the most significant drops in their ESG indices, making them the only two countries surveyed where the optimism levels dipped below the threshold mark of 50.
- Emerging economies were buoyed by improving sentiment in South Africa and Hungary, with notable declines in Taiwan Region and Türkiye.
- At a global level, mid-sized firms saw a 11.9% decline in ESG sentiment from Q2; small firms posted a 1.6% increase and large firms a 3.8% fall.
- Interestingly, small firms in advanced economies expressed greater optimism regarding sustainability practices than their larger counterparts. This disparity could be attributed to the heightened focus on sustainability practices in the upstream supply chain, as exemplified by the implementation of the German Supply Chain Due Diligence Act.
- Most sectors globally reported a widespread deceleration in sentiments, with the most substantial decline being observed in the metal manufacturing sector, where the index plummeted 8.5%.
- The automotive sector retains one of the highest scores in the ESG index, despite registering a 5.8% decline from Q2, due to its commitment to improving manufacturing practices, sourcing green energy, and conducting supplier assessments.
- The construction and mining sectors, which have been subject to intense scrutiny regarding their adherence to sustainability practices, posted the smallest declines in the ESG index, with a drop of just 1%.

Key Economies – Global Business ESG Index



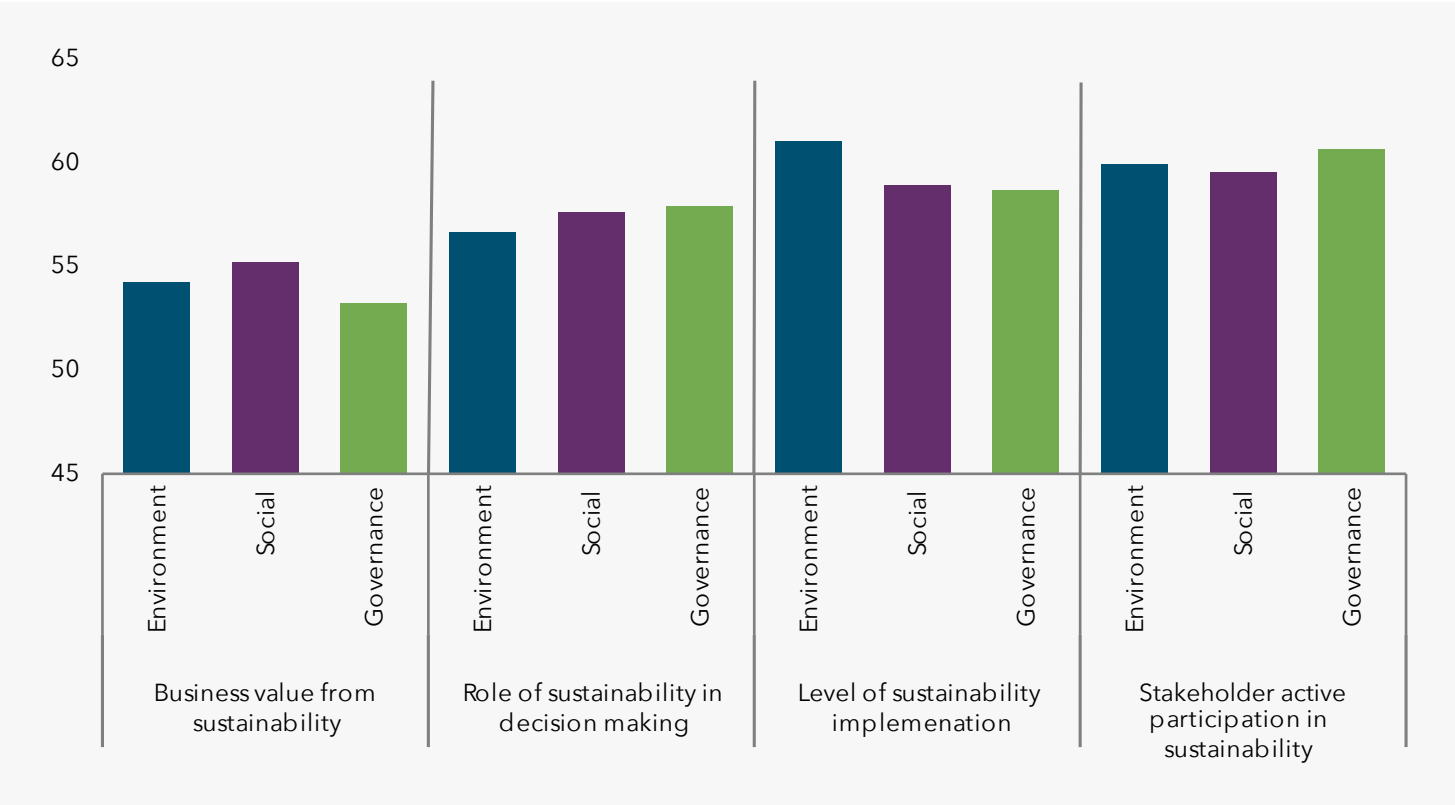
Firm Size – Global Business ESG Index

Period	Small	Medium	Large
Q2 2023	60.9	62.2	59.9
Q3 2023	61.9	54.8	57.8

Brazil posted a notable 10% surge in the index, reflecting an increasingly strong dedication to sustainability. This transformation is propelled by various factors, including heightened commitment to preventing deforestation and promoting conservation in the Amazon rainforest, and the establishment of a sustainable sovereign bond framework aimed at reducing greenhouse gas emissions. Conversely, certain policy shifts in

advanced economies have exerted downward pressure on their scores. The UK, where there has been a 6% decrease in the index, intends to postpone the prohibition of new petrol and diesel cars and the phasing out of gas boilers, raising concerns about potential setbacks in carbon reduction commitments and their implications for corporate ESG sentiment.

Sub-indices – Global Business ESG Index



The prevailing theme in our latest Global Business ESG Index is optimism – despite slight declines in the overall index values across emerging and advanced economies. Nevertheless, it's worth noting that the quantum of change in advanced economies outpaced that in emerging economies, although the index values in the former remain slightly elevated.

The fall in advanced economies can be partly attributed to drops in ESG sentiment in South Korea and Japan, with South Korea experiencing a significant sentiment decline. This decrease comes in the wake of a mandatory ESG disclosure deadline, which is set for large conglomerates in South Korea by 2025. Firms in the economy, however, deem this timeline as overly hasty,

advocating for a delay of at least one year. The challenges posed by the associated costs and intricacies of ESG disclosures, compounded by difficulties in data collection from partner companies, underscore the hurdles that must be overcome.

In Europe, the positive momentum in the ESG indices of France, Germany, Italy, and the Netherlands can be attributed to the exceptional

performance of large companies in the manufacturing sector, particularly in chemicals, rubber, plastics, and pharmaceuticals. Mid-sized enterprises in the information and communication sector have also contributed to improvements in these economies. Conversely, Spain's diminished ESG index primarily results from underperformance in the financial and insurance activities sector, particularly among mid-sized enterprises.



Key Recommendations

Businesses should monitor the ongoing Israel-Hamas conflict as it is likely to impact global economic prospects. In addition, businesses exposed to advanced economies should exercise caution and revisit their growth strategies, such as enhancing client coverage across emerging economies. Economic growth is likely to be asymmetric, posing risks and presenting pockets of opportunity. Even businesses operating in economies experiencing a slowdown may be partially immune if most of their corporate family tree (subsidiaries, joint ventures, or affiliates) is operating in economies experiencing expansion and vice versa. The impact of the economic cycle will be amplified by the depth of corporate linkages, including suppliers, vendors, and customers, spread across other regions.

Businesses need to consider supply chain linkages to have a comprehensive view of their upstream and downstream risks. Given the economic uncertainty and regulations, it is advisable to review supply chain resilience and look for opportunities presented by reshoring, nearshoring, and friend-shoring trends.

Strengthening of climate and emission regulations has enhanced the need for supplier evaluation and

benchmarking of sustainability practices against industry and economy practices. ESG practices vary across the operational value chain, so businesses must trace sustainability practices at all stages to ensure compliance.

Getting back to the basics with the 5Cs of credit management - Capacity, Capital, Character, Collateral, and Conditions - is vital during these volatile times. Businesses must recognize that the current economic landscape necessitates a more proactive approach to credit risk mitigation. Having visibility into the credit risk across the entire global portfolio can help inform treatment strategies and prioritize collections.

By working with trusted analytics experts, businesses have access to dynamic data that can be used to answer questions such as financial capacity to pay vendors and track record, present capital structure and changes over time, and available collateral for liquidation in case of bankruptcy.

Monitoring these indices in the coming quarters will tell us if we're on a clear path to recovery or if we need to tread carefully in this dynamic economic landscape.



Dun & Bradstreet Global Business Optimism Index: Appendix

Methodology

Dun & Bradstreet conducted a survey of business leaders in their operating markets. The survey was conducted on a stratified random sample of around 10,000 respondents, from varying sector and size segments. Responses pertain to respondents’ own operating markets. A diffusion index is calculated for each parameter. The indices range from 0 to 100, with a reading above 50 indicating an improvement and below 50 a deterioration

(both compared with the same period in the previous year). The composite index at size and sector level is calculated using factor-weighted averages of the parameter-level indices. Economy-level indices are weighted averages of sector-level indices by their contribution to GDP. Global indices are weighted averages of economy-level indices with their GDP weights.

Economies covered in the survey			
Argentina	Indonesia	Russia	United Kingdom (UK)
Australia	Israel	Saudi Arabia	United States of America (U.S.)
Brazil	Italy	South Africa	
Canada	Japan	South Korea	
Czech Republic	Kenya	Spain	
Egypt	Mexico	Sweden	
France	Netherlands	Switzerland	
Germany	Nigeria	Taiwan Region	
Hungary	Norway	Türkiye	
India	Poland	United Arab Emirates	

Indices Explained



Dun & Bradstreet Global Business Optimism Index provides valuable insights on the global growth cycle. It serves as a tool to identify turning points in the global economy.



Dun & Bradstreet Global Business Supply Chain Continuity Index monitors the efficiency of suppliers' deliveries in terms of both time and cost. The index enables businesses to optimize their supply chain management by identifying potential bottlenecks, streamlining operations, and mitigating risks.



Dun & Bradstreet Global Business Financial Confidence Index serves as an early warning signal for bankruptcies, enabling stakeholders to anticipate financial distress in various sectors of the economy.

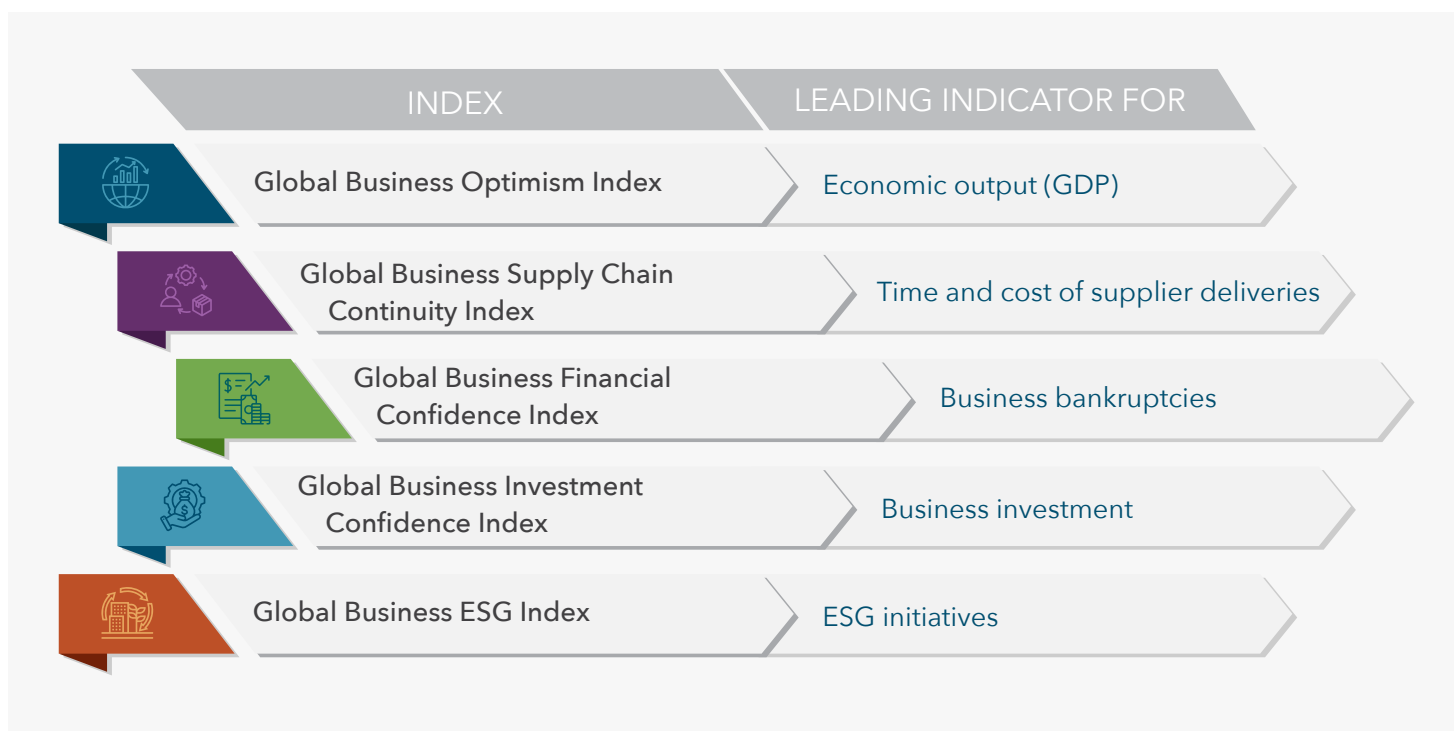


Dun & Bradstreet Global Business Investment Confidence Index provides vital cues about investment rates across different industries and regions. By tracking this index, stakeholders can gain insights on the sentiments and willingness of businesses to invest in new projects, expand operations, and drive growth.



Dun & Bradstreet Global Business ESG Index provides a comprehensive assessment of companies' performance in implementing ESG initiatives. By tracking the ESG index, investors, regulators, and the public can evaluate the sustainability efforts of organizations, encourage responsible business practices, and promote transparency and accountability.

The Indices



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Our experienced country-intelligence specialists use Dun & Bradstreet's proprietary data, supplemented by secondary data from the International Monetary Fund, World Bank and other multilateral organizations, to provide unique analysis to drive sound business decisions.

Updated frequently – and monthly for our most requested countries – our data and analysis are presented in a format that facilitates the comparison of economic, political and commercial conditions on a country, regional and global level.

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About Dun & Bradstreet

Dun & Bradstreet, a leading global provider of data and analytics, enables companies around the world to improve decision-making and business performance. Dun & Bradstreet's Data Cloud fuels solutions and delivers insights that empower customers to accelerate revenue, lower cost, mitigate risk, and transform their businesses. Since 1841, companies of every size have relied on Dun & Bradstreet to help them manage risk and reveal opportunity.

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