



BUSINESSatOECD

Business at OECD (BIAC)

SPRING 2025 ECONOMIC POLICY SURVEY

ABOUT *BUSINESS AT OECD* (BIAC)

Established in 1962, *Business at OECD* (BIAC) is the officially recognised institutional business stakeholder at the Organisation for Economic Co-operation and Development (OECD). We stand for policies that enable businesses of all sizes to contribute to growth, economic development, and societal prosperity. Through *Business at OECD*, national businesses 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.

KEY FINDINGS AND POLICY MESSAGES

In our Spring 2025 Economic Policy Survey of leading national business and employer organisations in OECD countries, *Business at OECD* (BIAC) finds that there is significant uncertainty in businesses' views on the economic outlook, with international policy developments emerging as an important source of concern.

Key findings include:

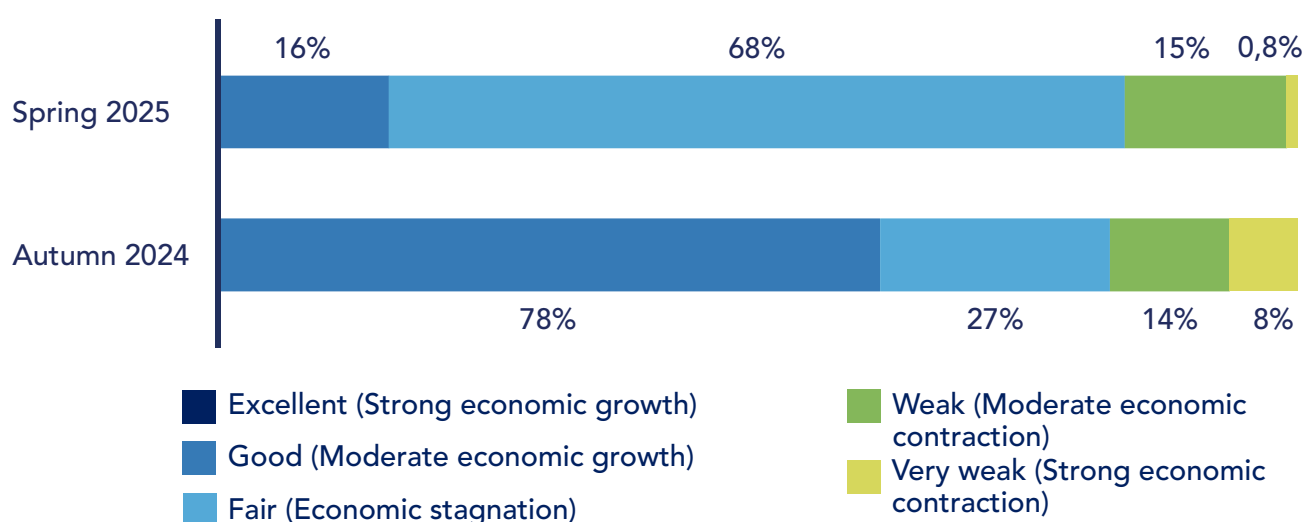
- Overall, there is strong consensus that the business sentiment in OECD countries is deteriorating: 68% characterize the business climate as “fair”, compared to 78% rating it as “good” last autumn. Moreover, economic growth expectations have lowered and are diverging, with 50% anticipating a moderate to strong economic contraction in the coming year.
- Geopolitical uncertainty (86%), trade and investment barriers (66%) and supply chain disruptions (43%) are highlighted as top constraints for business activity. While trade policy restrictions continue to evolve, members are concerned about rising costs for international business and far-reaching consequences for economic activity. Investment decisions are expected to be hampered by the rising uncertainty, with over 70% of our members anticipating a ‘moderate decrease’ in business investments over the next year, and only 19% anticipating a ‘moderate increase’. Businesses also point to a growing concern that inflation could be more persistent or increase in the coming year.
- Against this background, our members remain concerned about the competitive environment and structural conditions for growth in OECD countries. Significant administrative and regulatory burdens, high tax burdens and energy prices and tight labor markets continue to weigh heavily on businesses, as well as concerns about demographic and fiscal trends and growing public deficits. A more ambitious and comprehensive structural reform agenda is needed across the OECD, in particular to improve access to finance, increase the supply of affordable energy, strengthen innovation ecosystems, and address persistent labor market tightness.
- Now more than ever, political leadership is needed to foster a competitive and open international market for businesses to thrive in a rapidly changing global landscape. Our members underline open markets (93%), digital policy (58%) and coherent energy and climate policies (53%) as priority areas for international cooperation at OECD level.

In this context, *Business at OECD* looks to the OECD to provide evidence-based policy analysis, foster trusted international cooperation, and renew its focus on the key conditions for boosting growth, productivity, and long-term economic stability.

SECTION I: OVERALL ECONOMIC SITUATION

In our latest survey, conducted in a context of heightened barriers to open international markets and trade, our members expressed significantly more negative views on the conditions for doing business in OECD countries. There is a strong divergence across OECD economies in businesses' expectations for growth, with several economies tending towards a strong economic contraction in 2025. Inflation levels which had been projected to decline are now expected by businesses to increase within the coming year, while investment conditions are largely expected to deteriorate in most countries.

Figure 1: Snapshot view of the current business climate, 2024 and 2025 surveys



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

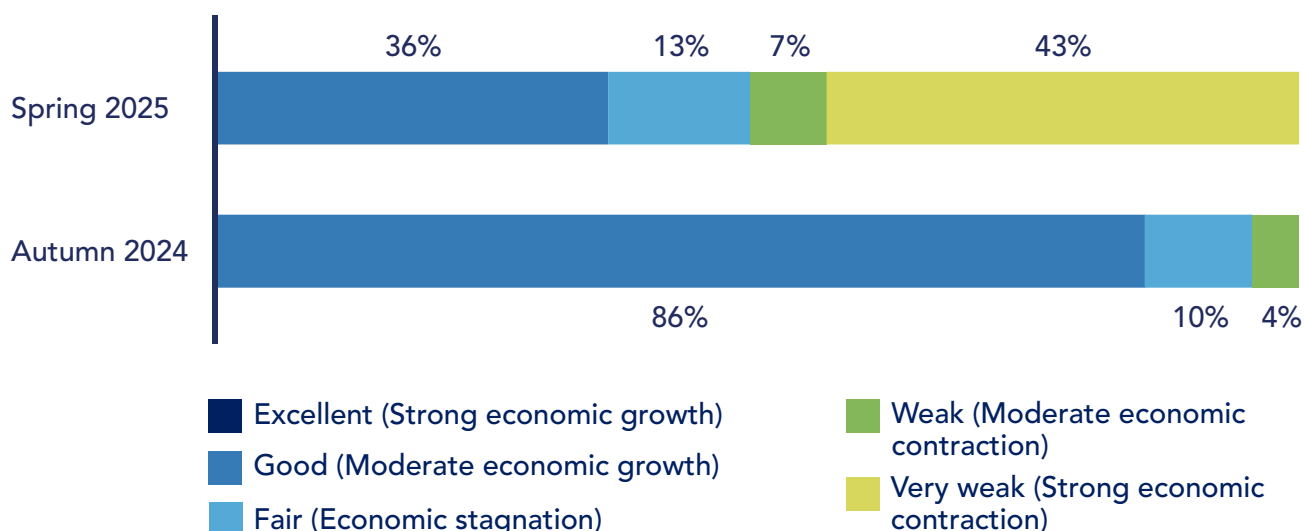
Highlights

- Our latest survey points to a deterioration of the overall business climate in OECD countries, with only 16% characterizing of members characterizing it as "good", compared to 78% last autumn.
- Members' concerns regarding the potential for economic stagnation have widely increased, with 68% of members pointing to the risk of a prolonged period of slow economic growth.
- Moreover, 15% are already experiencing a moderate economic contraction.

Section I: Overall Economic Situation

There is a strong divergence across OECD economies in businesses' expectations for growth, with several economies tending towards a strong economic contraction in 2025.

Figure 2: Business expectations for growth, 2024 and 2025 Surveys



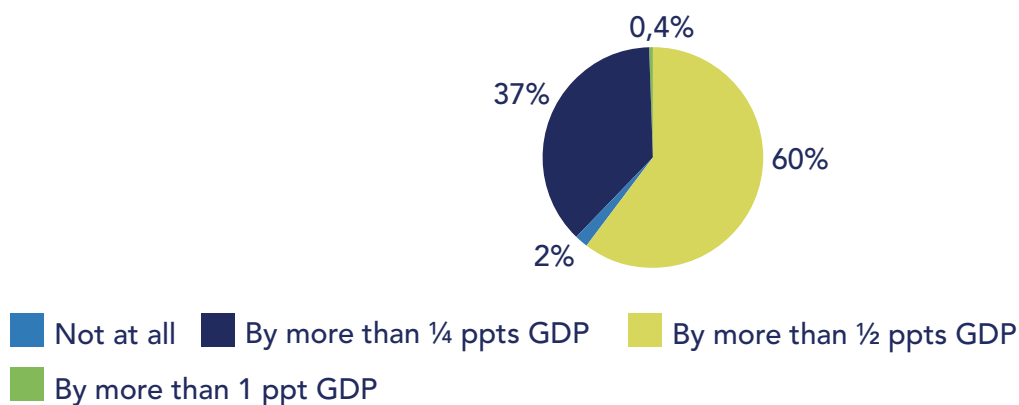
Source: *Business at OECD* (BIAC) Member Federations (adapted to the GDP weighted average)

Highlights

- Only 36% of our members now anticipate moderate economic growth in the year ahead as compared to 86% last autumn.
- Around 43% of our members anticipate a strong economic contraction, charactering their expectations for growth in the coming year as very "weak".

Businesses across OECD countries anticipate that trade policy changes will have far-reaching consequences for global economic activity and growth, while both directly and indirectly raising the costs for doing business.

Figure 3. Expected impact of trade barriers on economic activity, 2025 survey



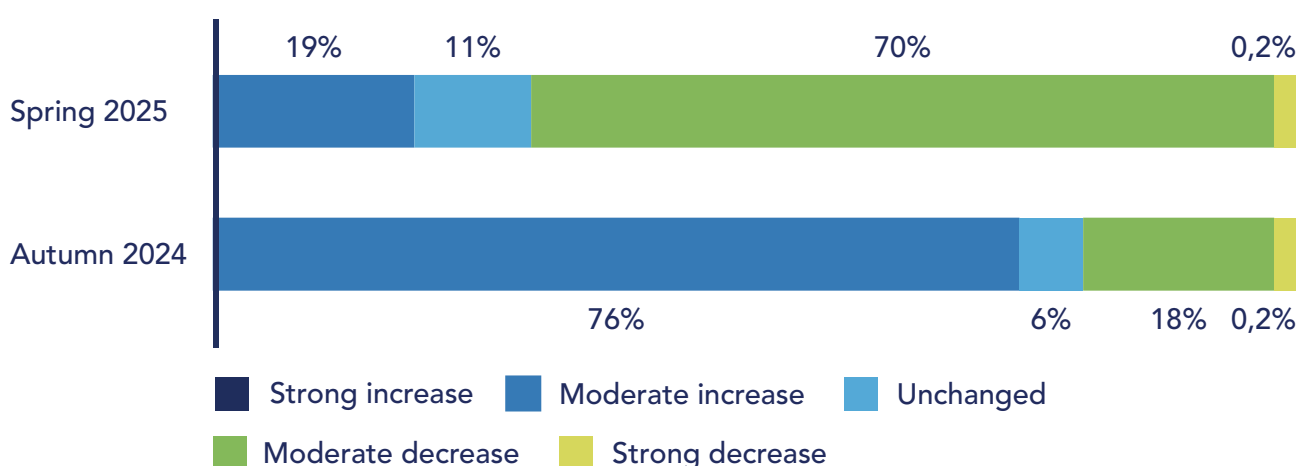
Source: *Business at OECD* (BIAC) Member Federations (adapted to the GDP weighted average)

Highlights

- As the magnitude of trade policy restrictions remains uncertain, the majority of our members expect that trade policy changes will have a significant impact on economic activity in their country in the coming year, with 60% anticipating that economic activity will decrease by more ½ percentage points of GDP.
- As the magnitude of trade policy restrictions remains unknown, 37% of our members remain more cautious and predict that the impact on their country's economic activity may decrease by ¼ percentage points of GDP.

In parallel, businesses are already anticipating a changing tide in investment in the coming year. Our members' views have significantly changed, with the majority expecting that investment will moderately decrease in the coming year.

Figure 4: Business investment expectations, 2024 and 2025 surveys



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

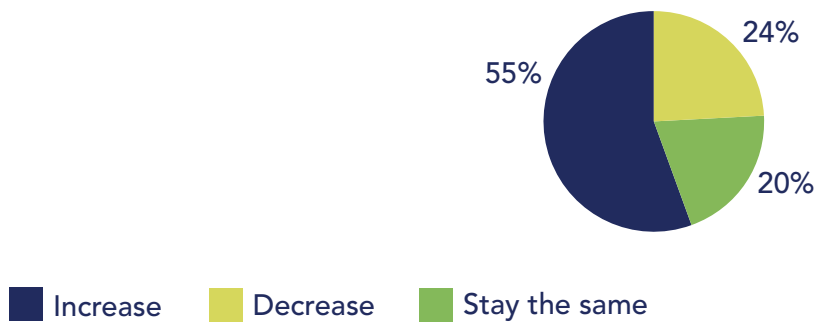
Highlights

- Compared to our last survey conducted in the autumn of 2024, members expressed less confidence in the potential for business investment over the coming year. Only 19% anticipate a moderate increase in business investment, as compared to 76% last autumn.
- A staggering 70% of our members anticipate a "moderate decrease" in investment in the coming year.

Section I: Overall Economic Situation

Businesses also point to a growing concern that inflation could be more persistent or increase in the coming year, potentially reversing the relative decline experienced across OECD countries in 2024.

Figure 5: Expected inflation levels in 2025 as compared to 2024



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

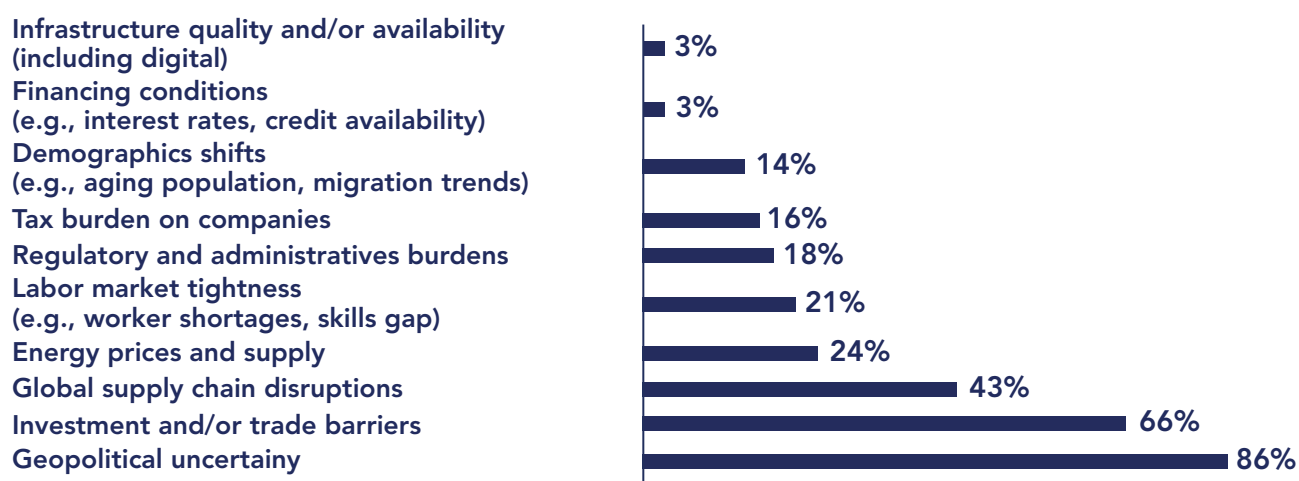
Highlights

- Over 76% of our members expect inflation to increase in 2025 or stay the same, with a majority indicating that they anticipate inflation will increase in 2025 as compared to 2024.

SECTION II: MAIN CHALLENGES & AREAS FOR GROWTH

Elevated geopolitical tensions remain a significant constraint on business activity at present, particularly if the evolving conflicts around the world were to intensify and pose risks to the security of supply chains. Increases in trade restrictive measures such as tariffs are expected to raise production costs for businesses and prices for consumers. Against this background, our members also remain concerned about the structural conditions for improving business competitiveness in OECD countries. Labor market tightness and the high cost of energy continue to be significant concerns for businesses and employers in OECD countries, which face difficulties both in recruiting the skilled labor needed and producing goods at competitive prices. When asked to identify potential levers for boosting growth, our members overwhelmingly point to the need for open markets and a return to sound fiscal policies, as well as measures to improve the efficiency of public administrations and reduce regulatory and administrative burdens.

Figure 6: Most significant constraints on business activity at present, 2025 survey



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

Highlights

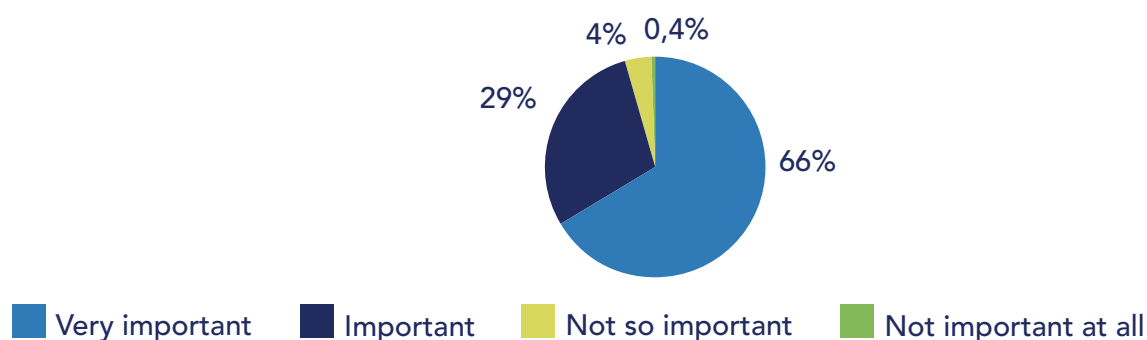
- Major geopolitical conflicts and tensions continue to be perceived as a significant constraint on business activity, particularly for the security and price of energy which remains high in many OECD countries.
- The increase in trade restrictive measures and potential risks of global supply chain disruptions also weigh heavily on business activity.
- The constraints associated with complex regulatory and compliance requirements, inconsistent enforcement and the time and cost associated with administrative burdens continue to rank high among our members' concerns.

Section II: Main Challenges & Areas for Growth

- The demographic trends in many OECD countries are also perceived as a significant constraint for businesses which play a central role in the long-term financing of social protection systems.
- Businesses are also concerned by the current fiscal environment with high government debt and deficits in many OECD countries, and the potential implications of additional or higher corporate taxes for business activities.

When asked about the level of labor market tightness in their country, over 95% of our members consider this an 'important' or 'very important' issue for governments to address. Given the prospect of a prolonged period of slow economic growth in many OECD countries in the coming year, which is usually accompanied by high unemployment, 66% of our members consider it 'very important' for governments to do more to address this issue.

Figure 7: Priority for governments to address labor shortages, 2025 survey



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

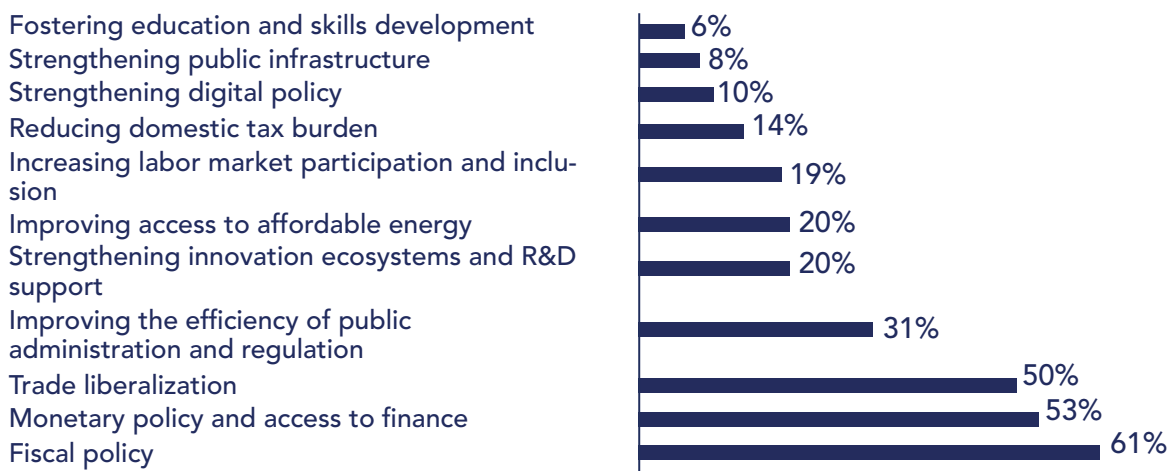
Highlights

- Over 66% of our members highlighted the urgent need for governments to do more to address labor market tightness in their countries.
- Our members most frequently highlighted the need for targeted government policies to address the shortages of skilled health and care workers, engineers and technicians, and ICT professionals.

Section II: Main Challenges & Areas for Growth

Boosting economic growth and productivity is crucial for both short-term growth prospects and ensuring a competitive environment for businesses in a rapidly changing global economy. Our members have identified several key conditions that can foster stronger economic growth and productivity in OECD countries, in addition to fostering a return to open international markets and trade.

Figure 8: Key levers for economic growth, 2025 survey



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

Highlights

- Our members identify both fiscal and monetary policy as key levers for boosting economic growth, the ability of businesses and individuals to access financing, which are viewed as key drivers of investment and growth.
- Measures to improve the efficiency of public administrations and reduce regulatory costs are also viewed as an effective way to boost economic growth.
- Our members also identify the need to improve access to affordable energy and strengthen innovation ecosystems, including support for R&D, as key factors contributing to economic growth.
- To a lesser extent, increasing labor market participation and inclusion as well as reducing the domestic tax burden are also perceived as key conditions to fostering greater competitiveness.

Section II: Main Challenges & Areas for Growth

An important priority for businesses across the OECD is for structural reforms to foster a more competitive business environment. While individual regulatory reforms or policy changes may contribute to improving efficiency and productivity, the lack of political will or leadership and an overarching, comprehensive structural reform agenda in many OECD countries can make these reform efforts less effective. Without a unified approach, including on an international level, businesses face a fragmented regulatory landscape where reforms may overlap, conflict, or lack coordination, ultimately undermining their impact.

Figure 9: Potential obstacles to pro-growth reforms, 2025 survey



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

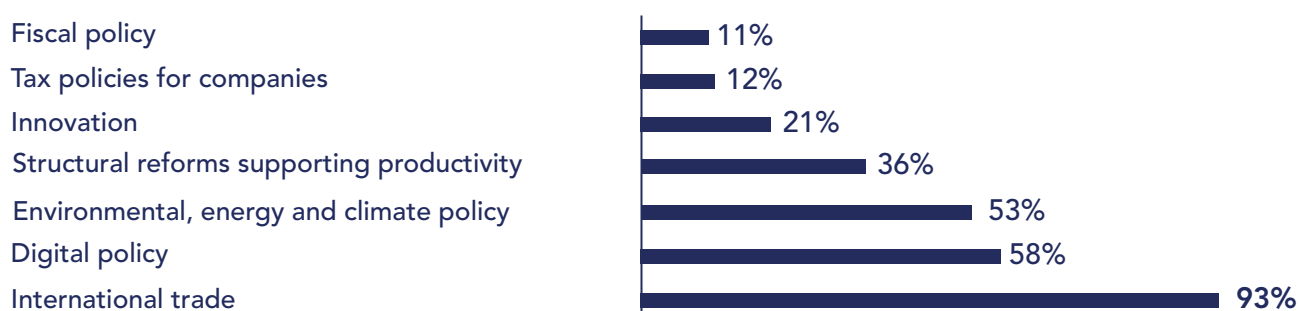
Highlights

- The lack of a structural reform agenda and political will or leadership are consistently cited by businesses as major potential obstacles to the success of pro-growth structural reforms.
- To a lesser extent, the lack of international coordination of structural reforms and implementation hurdles are viewed as obstacles.

SECTION III: KEY AREAS FOR OECD ACTION

Our latest survey reaffirms the vital role of the OECD as a trusted global actor to promote evidence-based policy analysis and recommendations. In its international cooperation with partner economies, regions, international organisations and global fora, our members call on the OECD to prioritise efforts to safeguard open international markets and alignment on environmental, energy, climate, digital and tax policies. The OECD has also long been a key player in shaping policy reforms aimed at boosting growth, productivity, and long-term economic stability which offer businesses opportunities to thrive in a more predictable, efficient and dynamic economic environment.

Figure 10: Priority areas for international cooperation at OECD level, 2025 survey



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

Highlights

- Our members continue to support the OECD's work to restore the conditions for a stable, open and competitive global economy. Evidence-based policies and analysis that help reduce trade barriers, promote innovation, enhance global supply chains, and foster sustainable growth are crucial for businesses thrive in a rapidly changing global landscape.
- Over the past two decades, the digital transition has transformed OECD economies. Businesses support the OECD's efforts to enhance regulatory interoperability and coherence, as well as promote consistent implementation of common practices and expectations for the use of digital technologies, including AI.
- The OECD's efforts to advance international cooperation in the area of environmental, energy and climate policy are also recognised by businesses. Additional efforts should be made to advance a fair, efficient and competitive tax policy framework, and support an innovative and competitive environment for businesses.

METHODOLOGICAL NOTE

Timeline

Our survey was launched in late March 2025 and concluded in April. This synthesis report was prepared in May 2025. 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

36 national business and employer organizations, representing 99% 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 parts:

- I. Overall economic situation
- II. Areas for growth and reform
- III. Areas for OECD action

Contact

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