

Firms' response to tensions and policy changes in foreign markets:

Results of the 2025 ad hoc question in the harmonised business surveys, lessons learned and programming for 2026

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Ad hoc survey 2025

- The purpose was to investigate the adaptive strategies implemented by businesses in addressing geopolitical tensions and trade fragmentation challenging global value chains
- The ad hoc questions were launched in 12 EU Member States and 4 candidate countries
- 44 000 firms replied to the questions
- Industry and services accounted for 30% each
- Construction and retail trade accounted for 20% each



Main ad hoc question – Question 1

- Q1: Have you adjusted, or plan to adjust, your strategies regarding the sourcing of inputs, location of production, or destination markets in recent years, in response to tensions, disruptions or policy changes in your foreign markets?
 - yes, we have adjusted our strategies;
 - yes, we plan to adjust our strategies;
 - no, we have not adjusted our strategies and don't plan to do so;
 - not applicable, fully domestic business.
- A yes was followed by three more questions



Follow up questions – Questions 2

- Q2: The adjustments are or will be of the following nature (multiple answers possible)
 - increasing stocks to serve as buffers in the face of unexpected disruptions;
 - changing the countries from which you source inputs/goods or to which output is destined;
 - relocation of production/operation back to your country (reshoring);
 - relocation of production/operation to other countries (friendshoring);
 - Other;
 - no Reply.



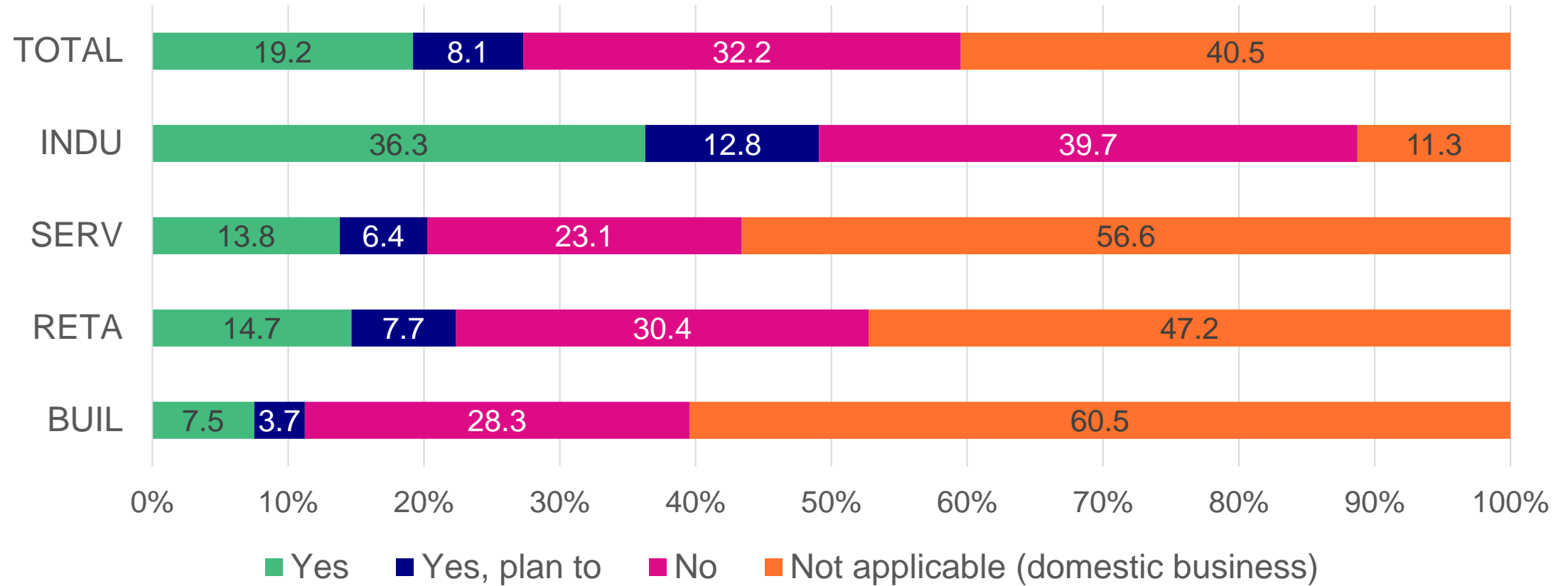
Follow up questions – Questions 3 & 4

- Q3: What is or would be the effect on your production costs or operational costs?
 - an increase;
 - no impact;
 - a decrease;
 - no reply.
- Q4: What is or would be the effect on your final prices charged to consumers/customers (optional)?
 - an increase;
 - no impact;
 - a decrease;
 - no reply.



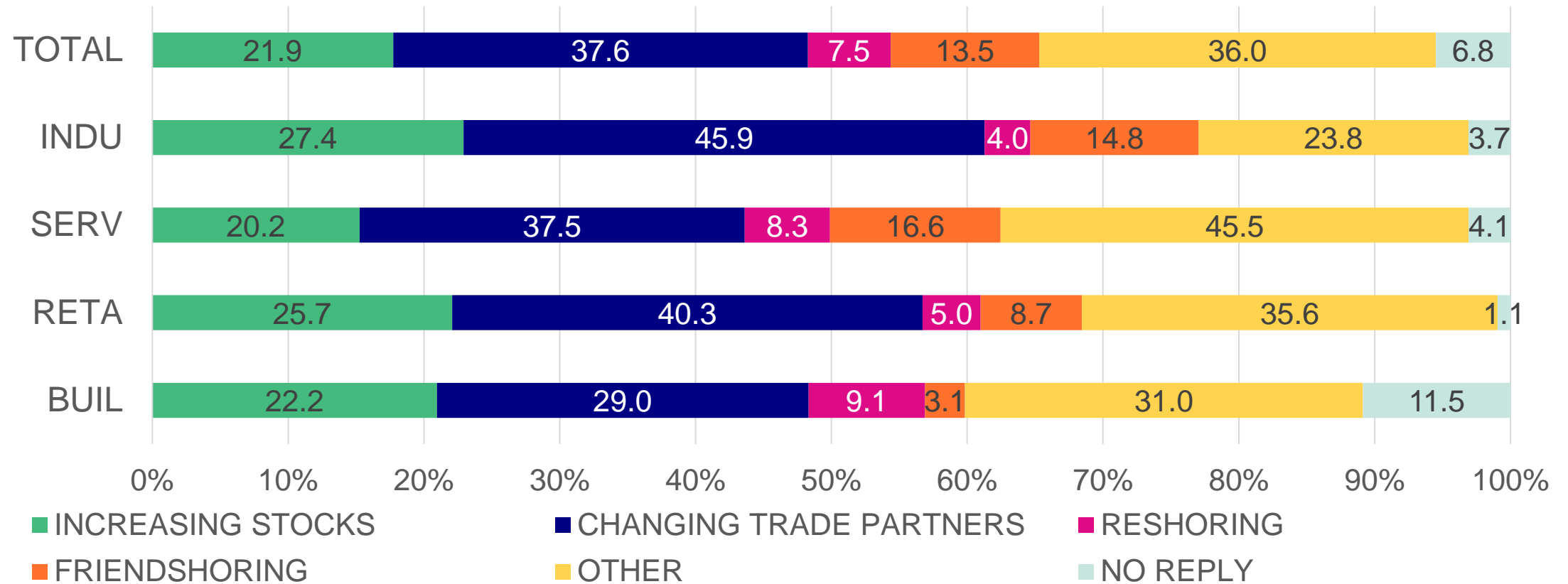
Results of Question 1

Intention to adjust strategies for the EU



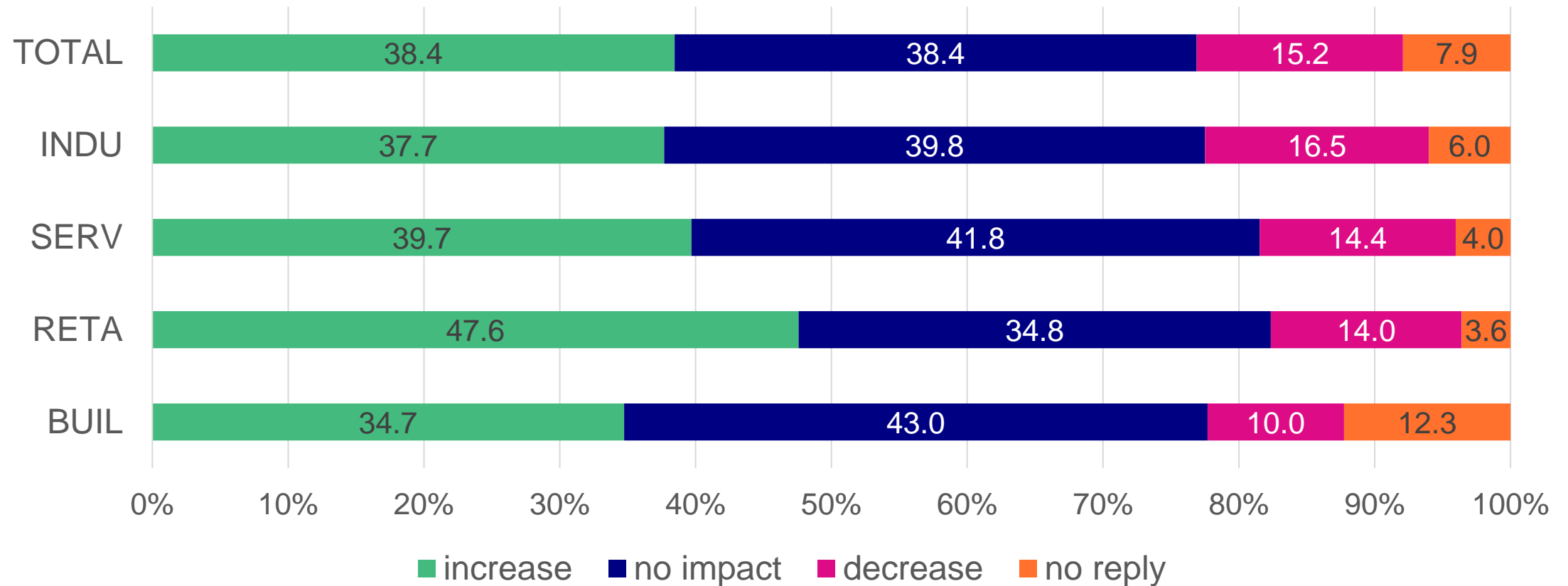
Results of Question 2

The adjustments are or will be of the following nature in the EU



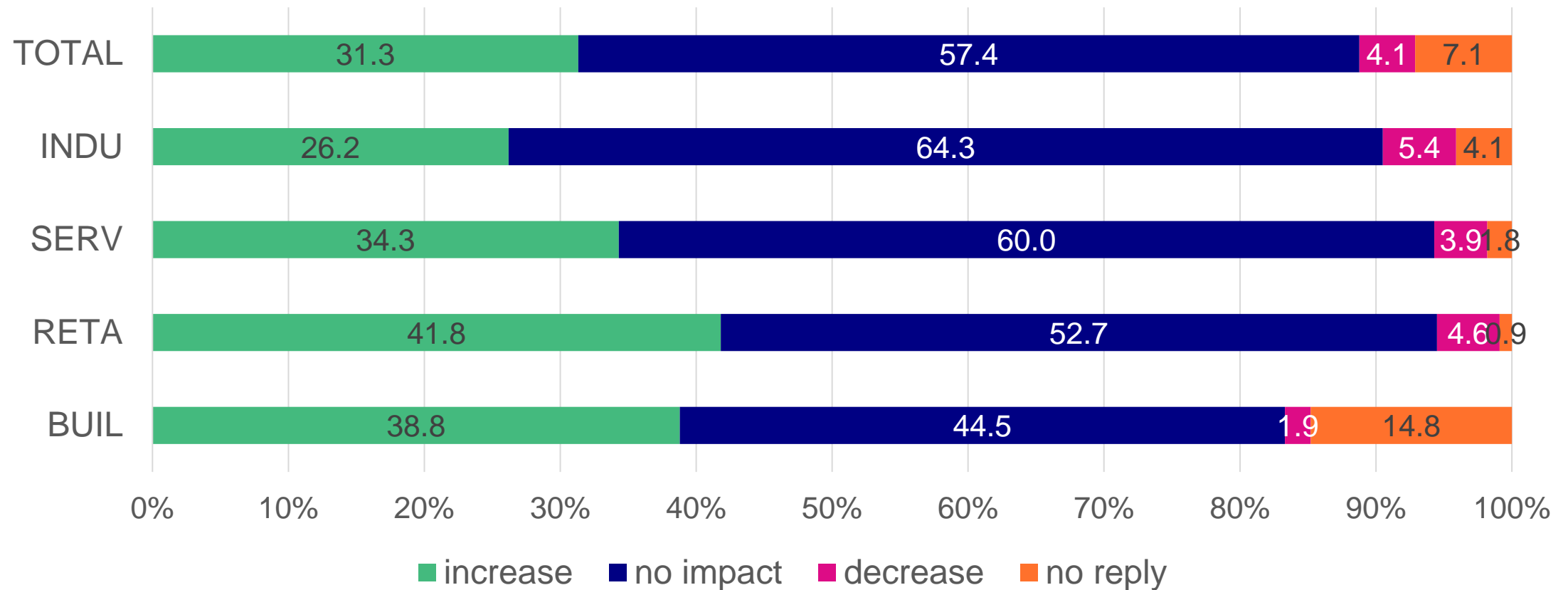
Results of Question 3

Effect on production or operational costs in the EU



Result of Question 4

Effect on final prices charged to consumers/customers in the EU



Lessons learned from the 2025 wave

- The questions worked relatively well
- There were some ambiguities:
 - Questions relevance depending on sector
 - In some sectors the category 'other' received a very high share of responses
- Technical issues
 - Layered/routing questions increased complexity?
 - Weighting: reduction in sample and bias towards bigger firms in Q2-Q4
 - Problem with representativeness of the sample
 - Weighting by size of country/sector in terms of gross value added or effective sample size?



Considerations for ad hoc questions in 2026

- Retained focus on firms' adaptive strategies to global trade fragmentation and policy changes.
- Refined formulation of the questions to better capture the challenges to firms posed by the new global trade environment and their responses
- Distinguish between trade relations within and outside the EU
- Distinguish between importing and exporting firms or strategies
- Exclude construction sector in 2026, and a question mark for the retail trade sector



Proposal 1 – Q1 on import strategies (no routing, all firms reply)

Q1. Have you recently adjusted, or plan to adjust, your **import/sourcing strategies** in response to tensions, disruptions, or policy changes in your foreign markets outside the EU? The adjustments are or will be of the following nature (multiple answers possible):

- not applicable, we do not import from outside the EU
- maintain current strategies with no planned adjustments
- reduce the share of goods or services imported from outside the EU
- increase inventories
- diversify the countries from which we source goods and services
- enhance supply chain and risk monitoring
- modify pricing strategies or renegotiate importing contracts
- implement cost-cutting measures
- other



Proposal 1 – Q2 on export strategies

Q2. Have you recently adjusted, or plan to adjust, your **exporting strategies** in response to tensions, disruptions, or policy changes in your foreign markets outside the EU? The adjustments are or will be of the following nature (multiple answers possible):

- not applicable, we do not export outside the EU
- maintain current strategies with no planned adjustments
- reduce the share of goods or services exported outside the EU
- increase inventories
- diversify countries we export to
- enhance supply chain and risk monitoring
- perform output differentiation (e.g., services modularisation or product diversification)
- modify pricing strategies or renegotiate exporting contracts
- implement cost-cutting strategies
- other



Proposal 1 – Q3 on production location

Q3. Have you adjusted, or plan to adjust, your **production location strategies** in response to tensions, disruptions, or policy changes in your foreign markets outside the EU? The adjustments are or will be of the following nature (multiple answers possible):

- not applicable, we do not produce outside the EU
- production location decisions are not affected
- relocation of production back to our country
- relocation of production to countries inside the EU
- increase production to countries outside the EU where we are already producing
- relocation of production to other (new) countries outside the EU
- other



Proposal 1 – Q4 on demand

Q4. Has your company experienced, or do you expect it to experience, a **change in demand** for your product or services in foreign markets directly attributable to the tensions, disruptions, or policy changes in your foreign markets outside the EU? Demand has or will...

- not applicable, we do not export outside the EU
- increase(d)
- remain(ed) unchanged
- decrease(d)



Proposal 2 – Q1, routing question

- Ad hoc questions start with a routing question determining if firms produce, export to or import from outside the EU

Q1. Do you do business in foreign markets/countries (multiple answers possible)?

- import from outside the EU [CONTINUE WITH QUESTION 2]
- export to outside the EU [CONTINUE WITH QUESTIONS 3 and 4]
- produce outside the EU [CONTINUE WITH QUESTION 5]
- all our business takes place within the EU [EXIT]



Proposal 2 – Q1, routing question

- The following questions are the same as in Proposal 1, possibly with a slight difference in order
- The first answer category is removed from each question, i.e. the ‘not applicable’ response

For example:

- **Q2.** Have you recently adjusted, or plan to adjust, your **import/sourcing strategies** in response to tensions, disruptions, or policy changes in your foreign markets outside the EU? The adjustments are or will be of the following nature (multiple answers possible):
 - ~~not applicable, we do not import from outside the EU~~
- Following answer modes are the same as in Propoosal 1



Thank you



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