

Economic and Business Outlook Survey

Q2 2025

eden
mccallum



Contents

Executive Summary

Economic and Business Outlook

Tariffs

DEI

Environmental Sustainability

Appendix: Sample details



Executive Summary

OVERVIEW

- Eden McCallum's semi-annual Economic and Business Outlook Survey was conducted from 11 April to 18 April 2025
- We surveyed 233 business leaders from across the globe, with a focus on the UK and Netherlands, our two offices
- Our sample works across a broad range of industries and ownership models

BUSINESS AND ECONOMIC OUTLOOK

- Pessimism about the economy has returned to 2022 levels (which were impacted by the war in Ukraine and resulting inflation / cost-of-living crisis): 80% of business leaders are pessimistic about the global economic outlook and 62% about their domestic economies
 - UK and North American respondents are particularly pessimistic about their domestic economic outlook
- While there is more optimism about business prospects, this has reduced sharply over the past year (from 71% to 52%)
- Geopolitical instability / conflict and trade barriers / tariffs are seen as the greatest threats to domestic economies; concern about trade barriers / tariffs, supply chain disruption, and stock market volatility have increased sharply over the past year, since President Trump's election
- Most business leaders still expect interest rates to continue to decrease, but a growing minority anticipates rate rises; UK respondents are more likely to expect a fall in interest rates, which would be coming down from a relatively high 4.5% (versus 2.25% for the ECB)
- Business leaders view geopolitical instability / conflict, change in customer demand, and tariffs as the most important external factors to impact company performance; unsurprisingly, tariffs saw the sharpest increase in focus in the past year
- The focus on tariffs is not limited to companies that have significant exposure to the US – 15-20% of business leaders who rank tariffs among their top 3 external factors likely to impact company performance have no exposure to the US
- Looking internally, AI, talent, and cost reduction are the most important internal issues for business leaders – talent had been the standout issue since Covid, but now ranks just behind data / AI, which has risen to the top issue (from no. 5 two years ago)

Executive Summary

TARIFFS AND TRADE POLICY

- 7 in 10 business leaders expect tariffs to have a negative impact on their companies (greatest impact on revenues, supply chains, and costs), even for those with little or no exposure to the US in terms of sales or supply chain
- 2 in 10 business leaders have taken action in response to the tariffs so far, with the majority planning or expecting to explore a wide range of options that include revising financial forecasts, cutting costs, and shifting supply chains, pricing, and sales focus
- Two-thirds of UK business leaders believe the UK government should negotiate with Trump, while continental Europeans are more inclined to impose retaliatory tariffs

DIVERSITY, EQUITY AND INCLUSION

- DEI currently plays a substantial role in around half of the businesses surveyed
- A significant minority (c.20%) of businesses have changed or are considering changing their DEI approach since Trump's election, mostly around changing DEI communications and reporting
- Business leaders broadly agree that DEI is important to them personally (91% agree) and is core to their companies' values (79%) and optimising company performance (78%); however, opinion is split on whether the 'pendulum has swung too far on DEI and needed to come back' (c.40% agreeing / disagreeing)

ENVIRONMENTAL SUSTAINABILITY

- Business leaders' concern about environmental sustainability has grown consistently since Q4 2023, with 50% being 'very concerned' (vs 37% in Q2 '23)
- 8 in 10 business leaders are pessimistic about their country achieving the target of net zero greenhouse gas emissions by 2050 – this pessimism has grown the quickest in the Netherlands
- About one-third of business leaders have made or are considering changes to their environmental sustainability plans since Trump's election – among the changes being made, about half are increasing the specificity of their targets and about a quarter are lengthening timelines

Contents

Executive Summary

Economic and Business Outlook

Tariffs

DEI

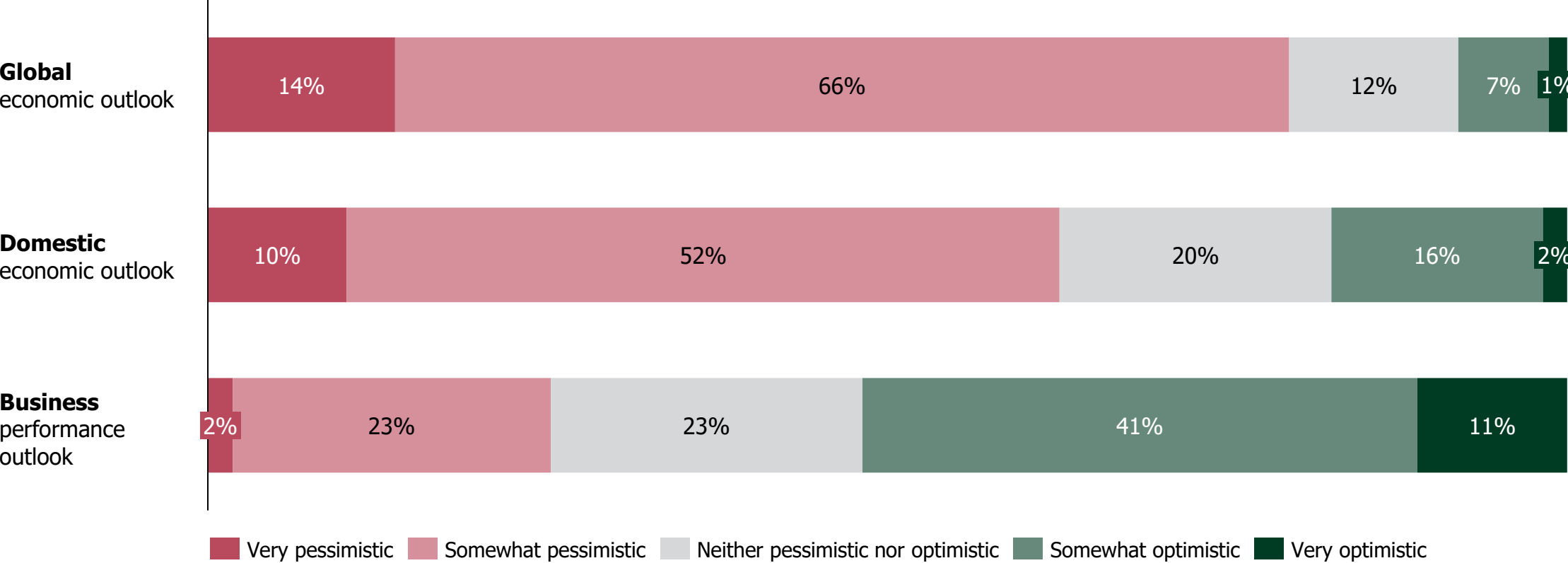
Environmental Sustainability

Appendix: Sample details



Business leaders' pessimism about the global and their domestic economies contrasts with optimism about their companies' expected performance

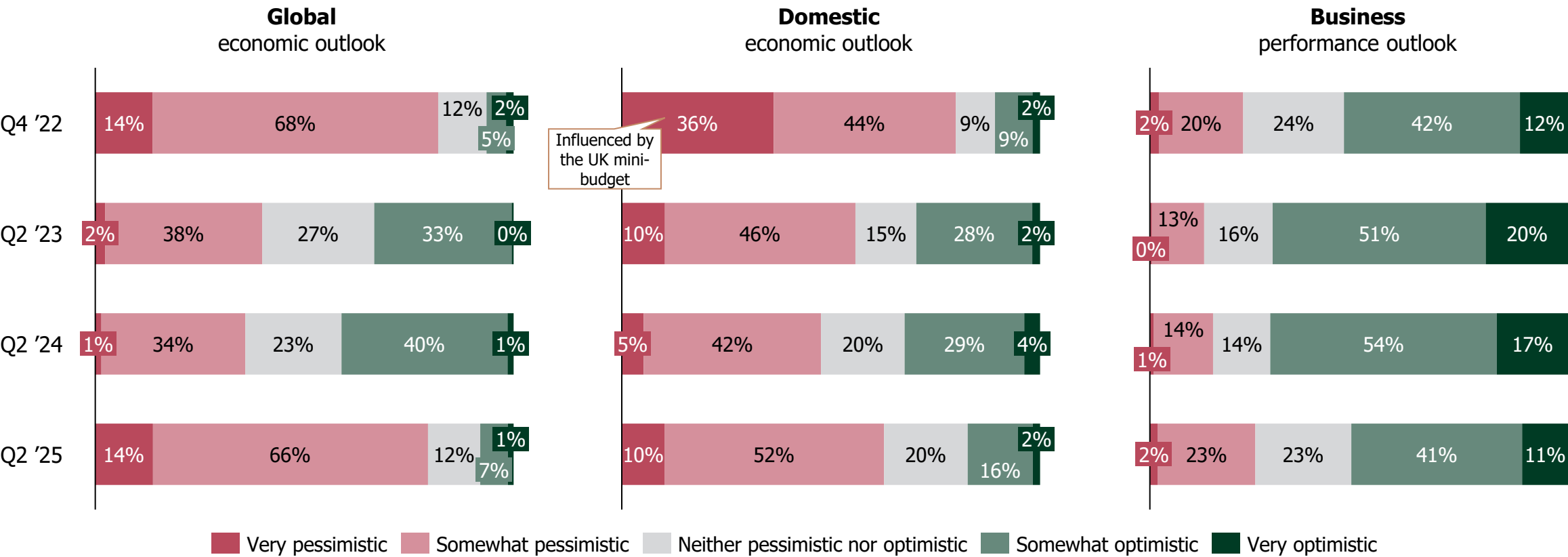
ECONOMIC AND BUSINESS OUTLOOK (Q2 '25)



n: 218-225
Notes: Excludes those who answered 'Don't know'.
Source: Eden McCallum Business Outlook Survey Q2 '25: Q6 - How pessimistic or optimistic are you about the global economic outlook over the next 1-2 years?; Q7 - How pessimistic or optimistic are you about your country's economic outlook over the next 1-2 years?; Q11 - How pessimistic or optimistic are you about your company's performance over the next 1-2 years?

Pessimism has increased sharply across the board in the past year, returning to 2022 levels for global economic and business performance outlook

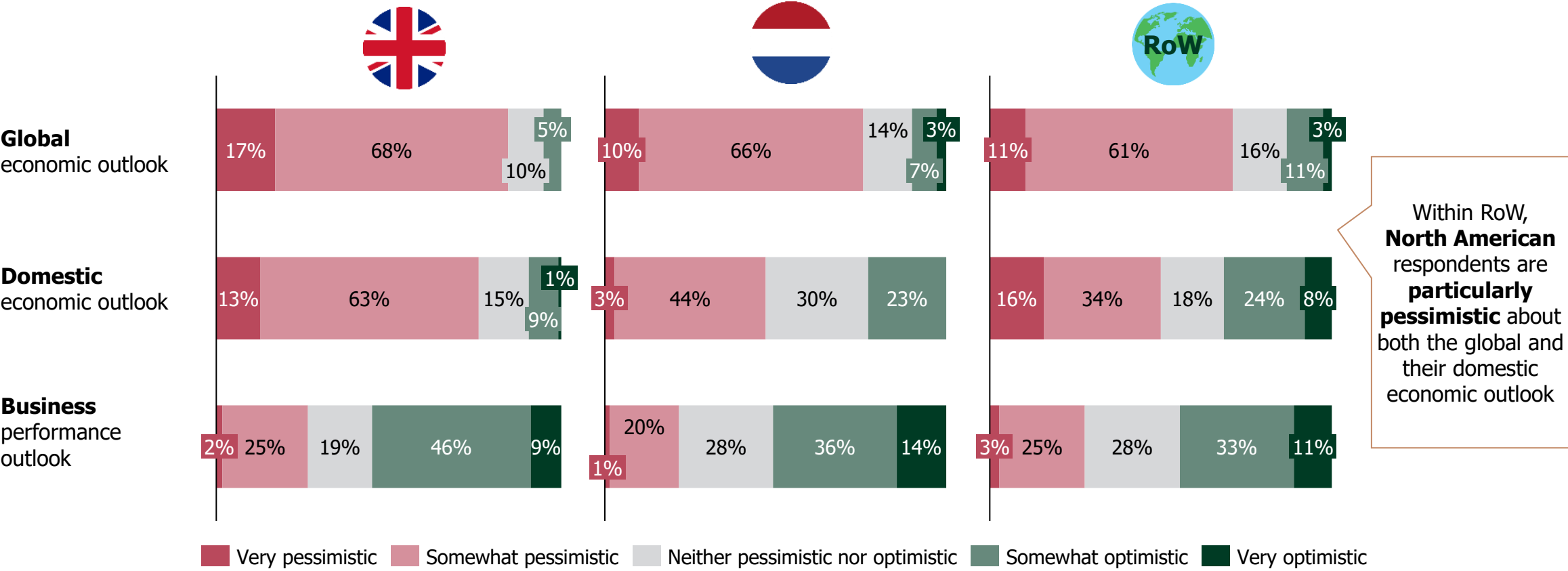
ECONOMIC AND BUSINESS OUTLOOK – ANNUALLY SINCE Q2 '23



Q4 '22 n: 278; Q2 '23 n: 208-213; Q2 '24 n: 206-210; Q2 '25 n: 218-225
Notes: Excludes those who answered 'Don't know'.
Source: Eden McCallum Business Outlook Survey: Q6 - How pessimistic or optimistic are you about the global economic outlook over the next 1-2 years?; Q7 - How pessimistic or optimistic are you about your country's economic outlook over the next 1-2 years?; Q11 - How pessimistic or optimistic are you about your company's performance over the next 1-2 years?

Business leaders in the UK are more pessimistic about the economic outlook than those in the Netherlands and Rest of the World

ECONOMIC AND BUSINESS OUTLOOK (Q2 '25)

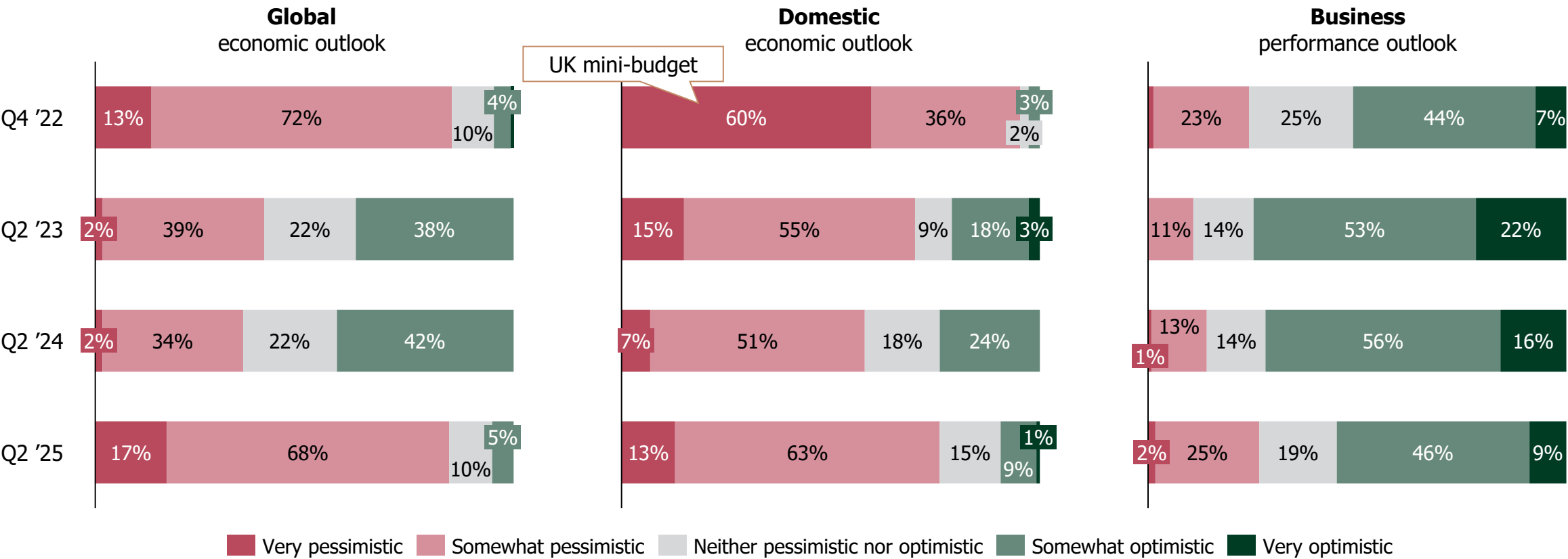


UK n: 113-117; NL n: 69-70; Rest of World n: 36-38
Notes: Excludes those who answered 'Don't know'.
Source: Eden McCallum Business Outlook Survey: Q6 - How pessimistic or optimistic are you about the global economic outlook over the next 1-2 years?; Q7 - How pessimistic or optimistic are you about your country's economic outlook over the next 1-2 years?; Q11 - How pessimistic or optimistic are you about your company's performance over the next 1-2 years?



In the UK, pessimism across global economic and business performance outlook has returned to 2022 levels

ECONOMIC AND BUSINESS OUTLOOK IN THE UK

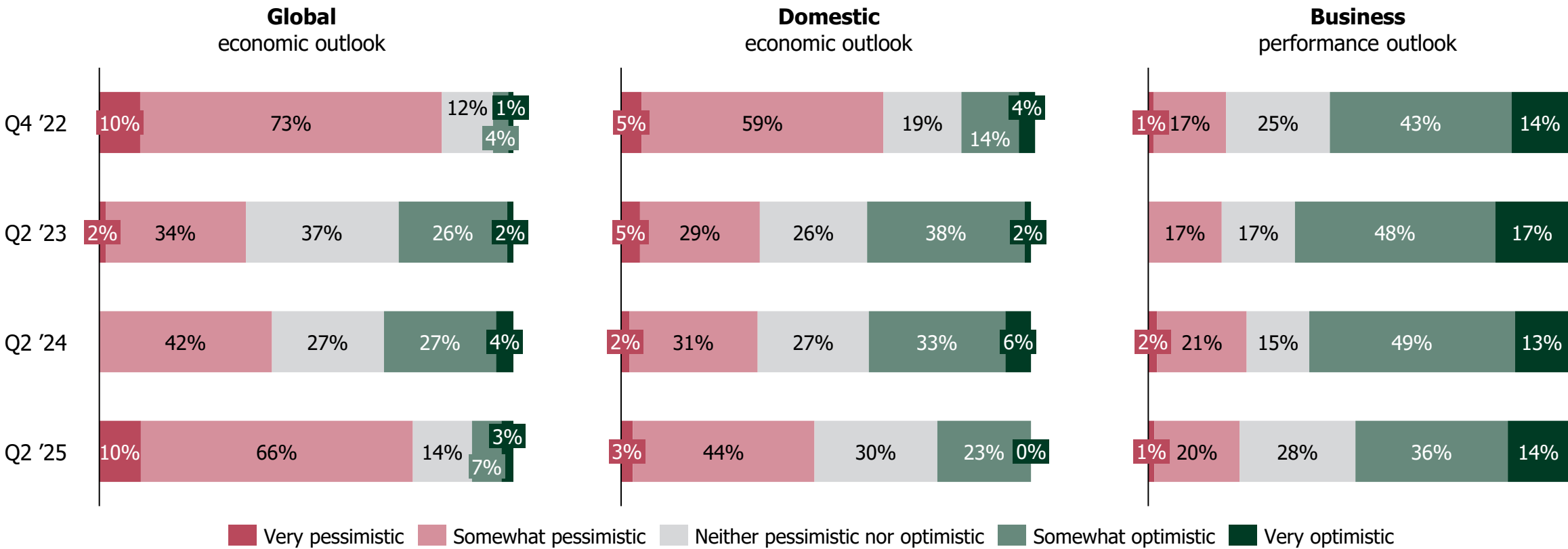


Q4 '22 n: 149; Q2 '23 n: 111-114; Q2 '24 n: 114-117; Q2 '25 n: 113-117
Notes: Excludes those who answered 'Don't know'.
Source: Eden McCallum Business Outlook Survey: Q6 - How pessimistic or optimistic are you about the global economic outlook over the next 1-2 years?; Q7 - How pessimistic or optimistic are you about your country's economic outlook over the next 1-2 years?; Q11 - How pessimistic or optimistic are you about your company's performance over the next 1-2 years?



In the Netherlands, negative sentiment around global economic outlook has increased sharply, whilst the increase is less notable for the domestic economy

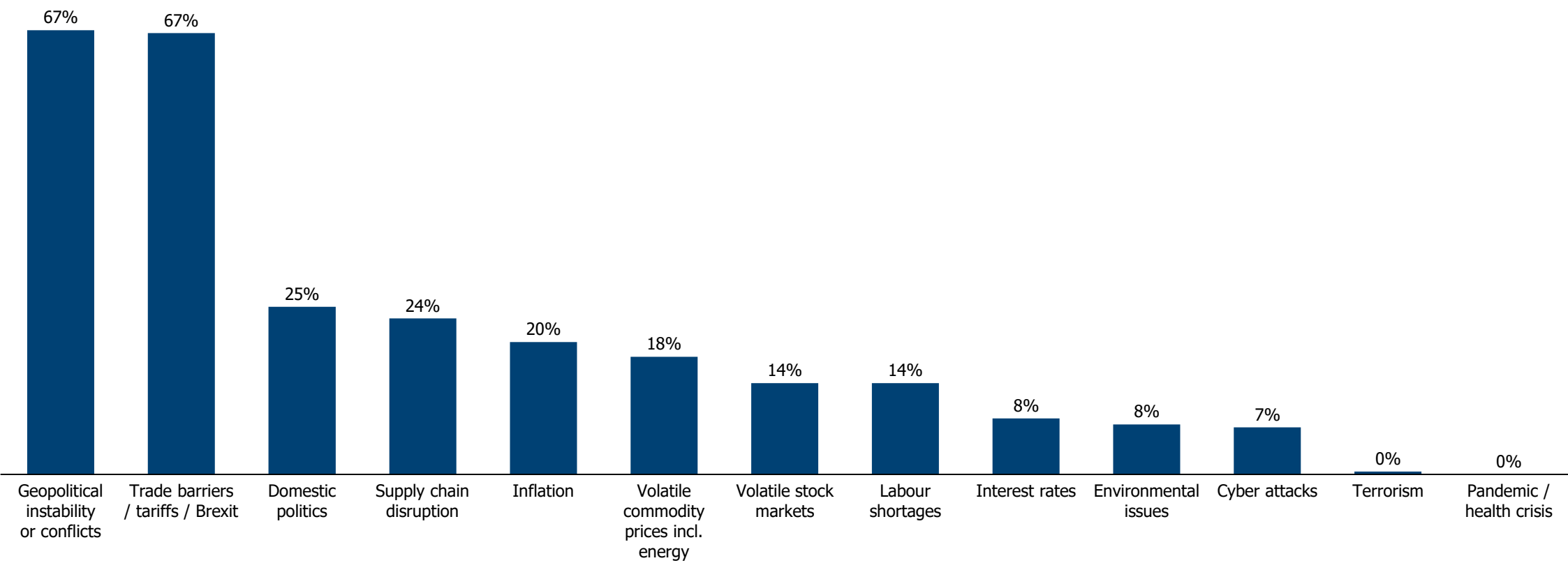
ECONOMIC AND BUSINESS OUTLOOK IN NL



Q4 '22 n: 81; Q2 '23 n: 63-65; Q2 '24 n: 47-48; Q2 '25 n: 69-70
Notes: Excludes those who answered 'Don't know'.
Source: Eden McCallum Business Outlook Survey: Q6 - How pessimistic or optimistic are you about the global economic outlook over the next 1-2 years?; Q7 - How pessimistic or optimistic are you about your country's economic outlook over the next 1-2 years?; Q11 - How pessimistic or optimistic are you about your company's performance

Geopolitical instability / conflicts and trade barriers / tariffs are seen as the greatest threats to domestic economies

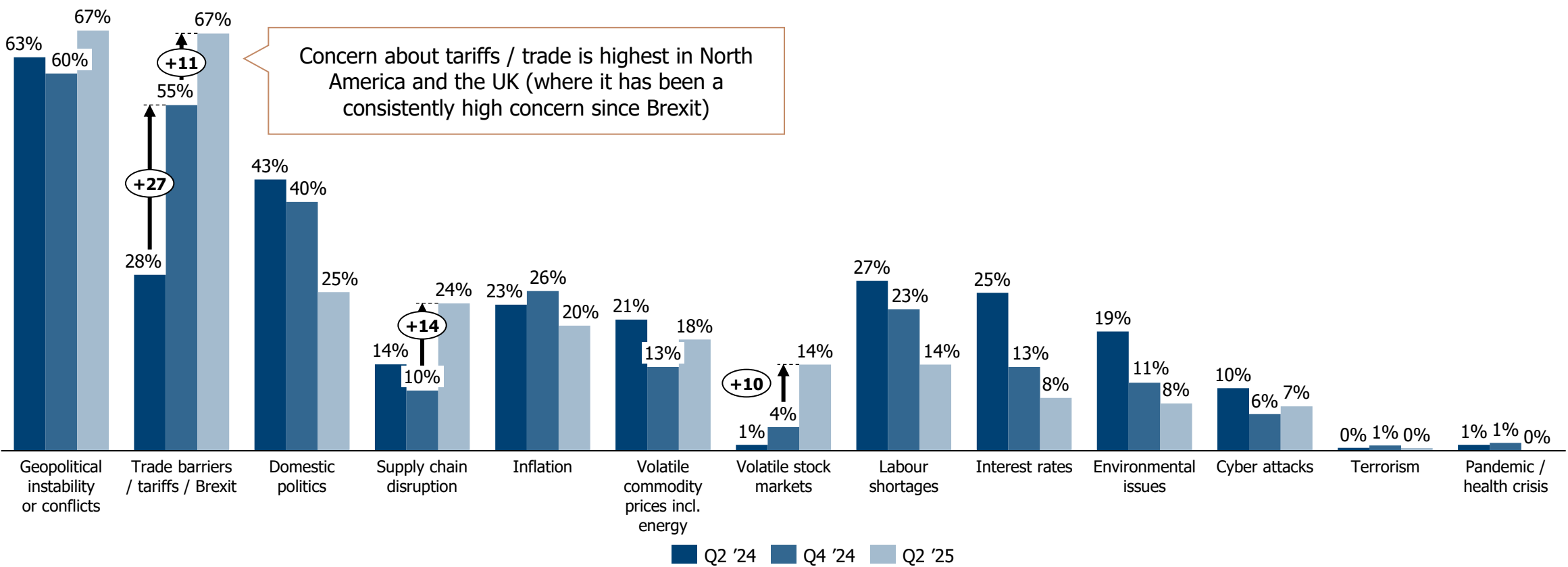
PERCEIVED THREATS TO DOMESTIC ECONOMY (Q2 '25)



n: 225
Notes: Participants could select a maximum of 3 answers. Excludes those who answered 'Other' or 'Don't know'.
Source: Eden McCallum Business Outlook Survey: Q8 - What do you see as the greatest threats to your country's economy over the next 1-2 years?

While concerns about tariffs rose sharply after Trump’s election in Q4 ‘24, they have continued to rise, as have concerns about supply chains and stock market volatility

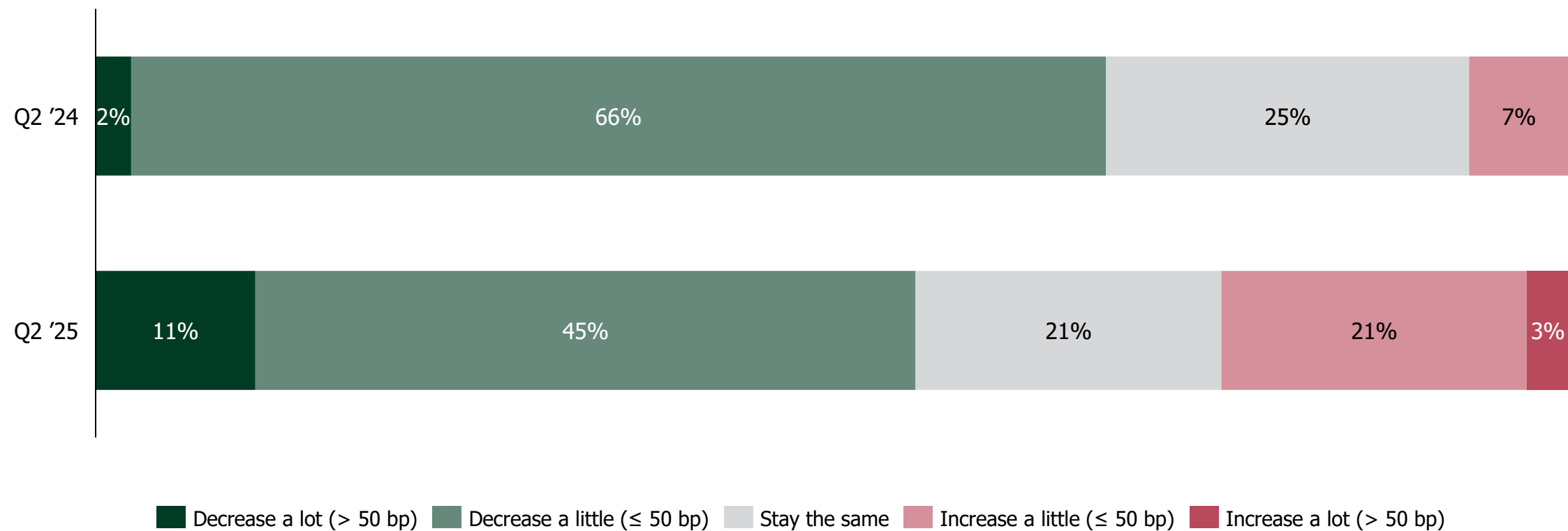
PERCEIVED THREATS TO DOMESTIC ECONOMY (Q2 '24 - Q2 '25)



Q2 '24: 210; Q4 '24 n: 235; Q2 '25 n: 225
Notes: Participants could select a maximum of 3 answers. Excludes those who answered 'Other' or 'Don't know'.
Source: Eden McCallum Business Outlook Survey: Q8 - What do you see as the greatest threats to your country's economy over the next 1-2 years?

While a majority of business leaders still expect interest rates to continue to decrease, a significant minority anticipates rate rises – up sharply since last year

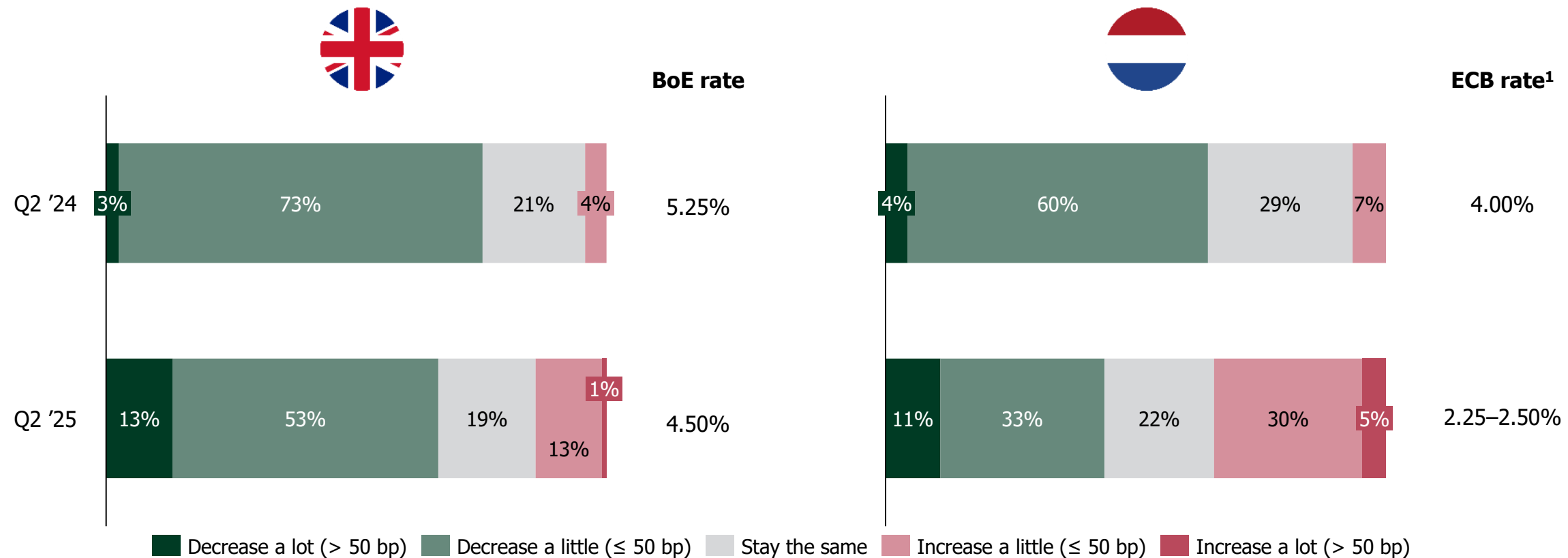
EXPECTED CENTRAL BANK INTEREST RATE CHANGES OVER THE SUBSEQUENT YEAR (Q2 '24 – Q2 '25)



Q2 '24 n: 207; Q2 '25 n: 212
Note: Excludes those who answered 'Don't know'.
Source: Eden McCallum Business Outlook Survey: Q9 – Over the next year / by the end of 2024 / 2025, what do you think will happen to central bank interest rates in your country / economic zone?

UK business leaders are more likely to expect interest rates to decrease than their Dutch counterparts, but a significant minority in both countries now expect rate rises

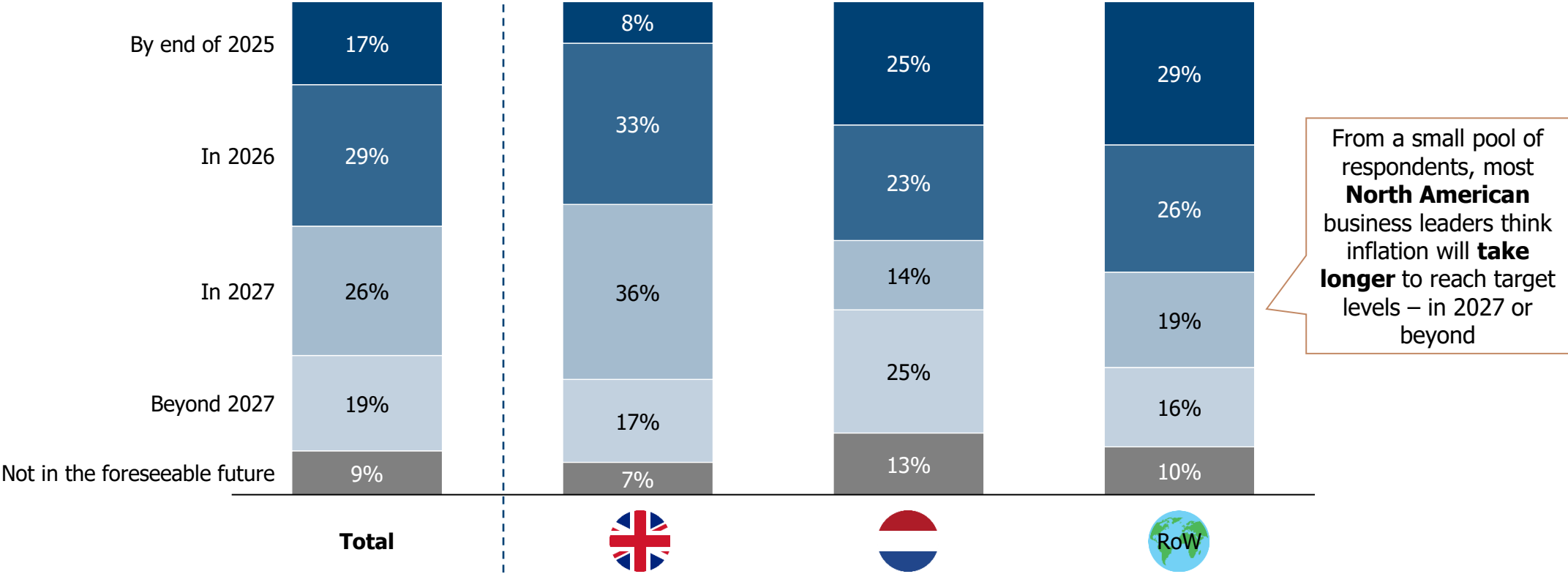
EXPECTED CENTRAL BANK INTEREST RATE CHANGES OVER THE SUBSEQUENT YEAR (Q2 '24 - Q2 '25)



Q2 '24 UK n: 117; NL n: 48; Q2 '25 UK n: 113, NL n: 64
Note: Excludes those who answered 'Don't know'. 1) Deposit facility rate.
Source: Eden McCallum Business Outlook Survey: Q9 – Over the next year / by the end of 2024 / 2025, what do you think will happen to central bank interest rates in your country/economic zone?

Business leaders in the UK expect inflation to take longer to reach target levels compared to the Netherlands and other surveyed geographies

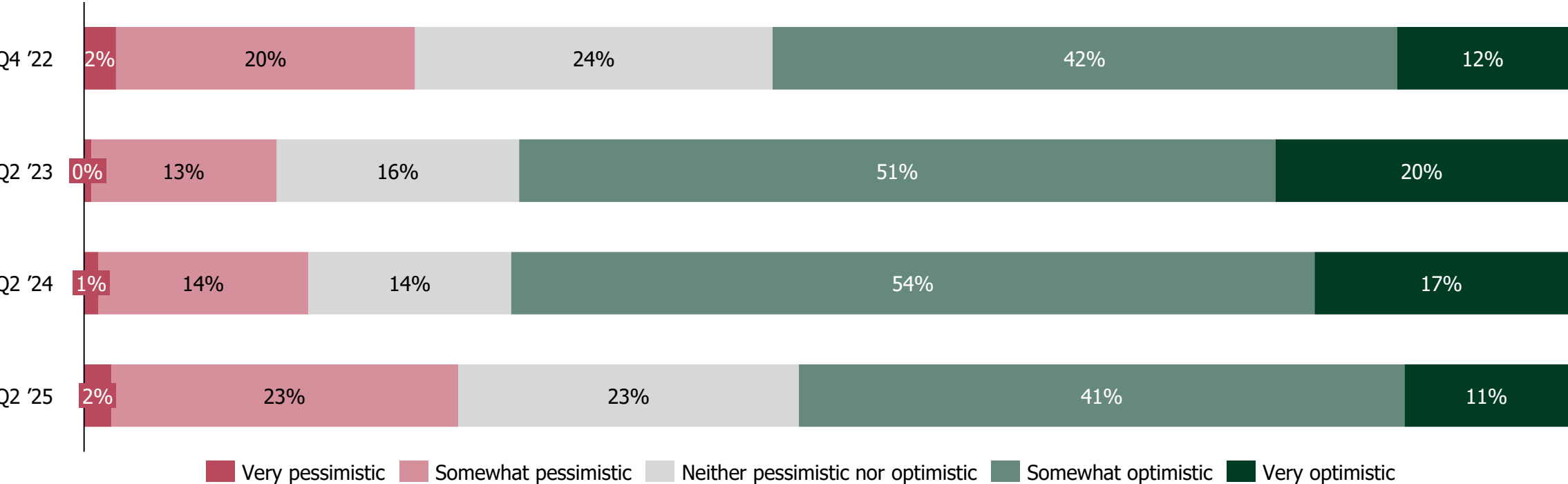
EXPECTED TIME FOR INFLATION TO REACH TARGET LEVELS



N: 202
Note: Excludes those who answered 'Don't know'.
Source: Eden McCallum Business Outlook Survey: Q10 - How long do you think it will take for inflation to reach target levels (c. 2%) in your country / economic zone?

Business leaders' optimism has declined sharply, returning to 2022 levels

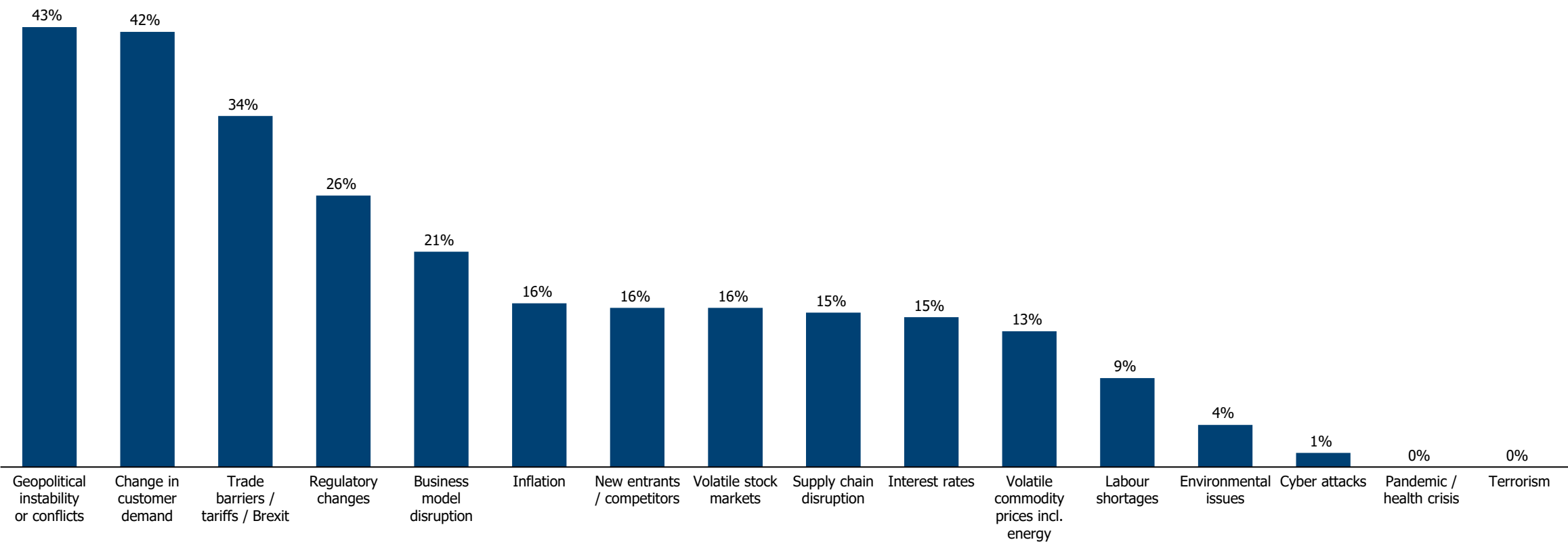
BUSINESS PERFORMANCE OUTLOOK – ANNUALLY SINCE Q2 '23



Q2 '23 n: 208; Q2 '24 n: 206; Q2 '25 n: 218
Note: Excludes those who answered 'Don't know'.
Source: Eden McCallum Business Outlook Survey: Q11 - How pessimistic or optimistic are you about your company's performance over the next 1-2 years?

Leaders view geopolitical instability, change in customer demand, and tariffs as the most important external factors likely to impact company performance

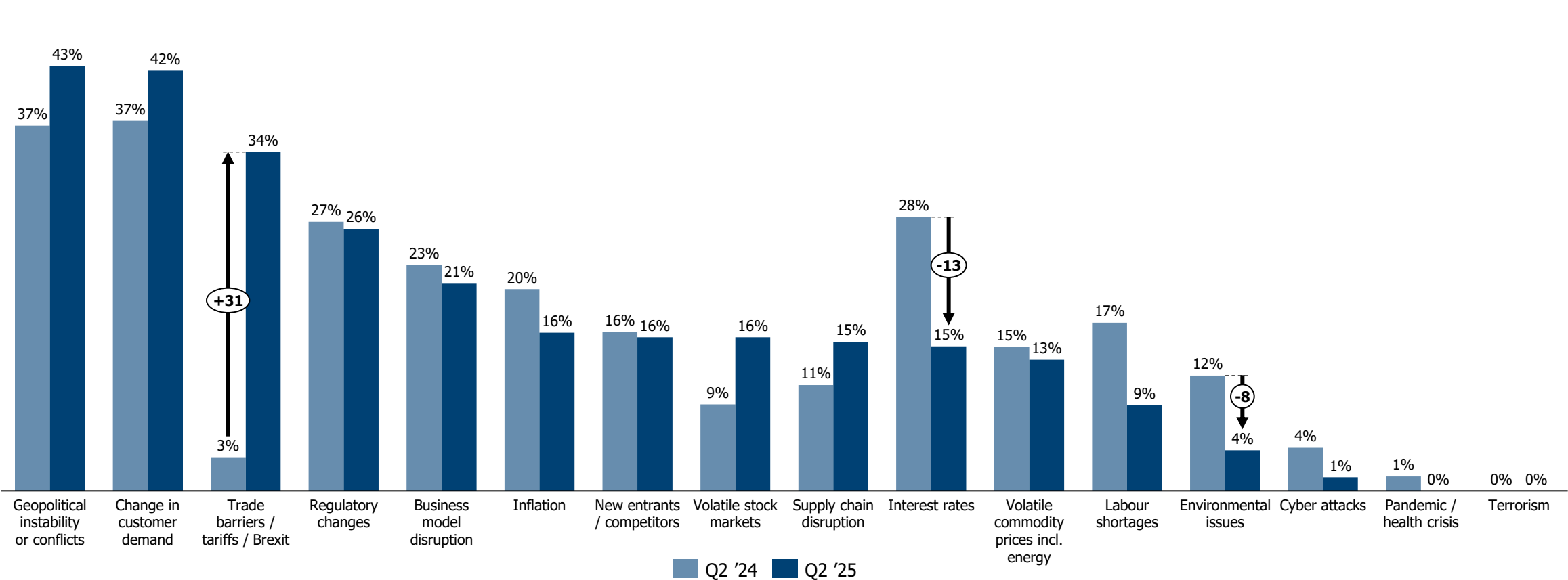
EXTERNAL FACTORS IMPACTING COMPANY PERFORMANCE (Q2 '25)



n: 219
Notes: Participants could select a maximum of 3 answers. Excludes those who answered 'Other' or 'Don't know'.
Source: Eden McCallum Business Outlook Survey: Q12 - What are the most important external factors likely to impact your company's performance over the next 1-2 years?

Tariffs saw the sharpest increase in focus in the past year, while concern about interest rates saw the greatest decrease (despite the fact more business leaders expect rates to increase)

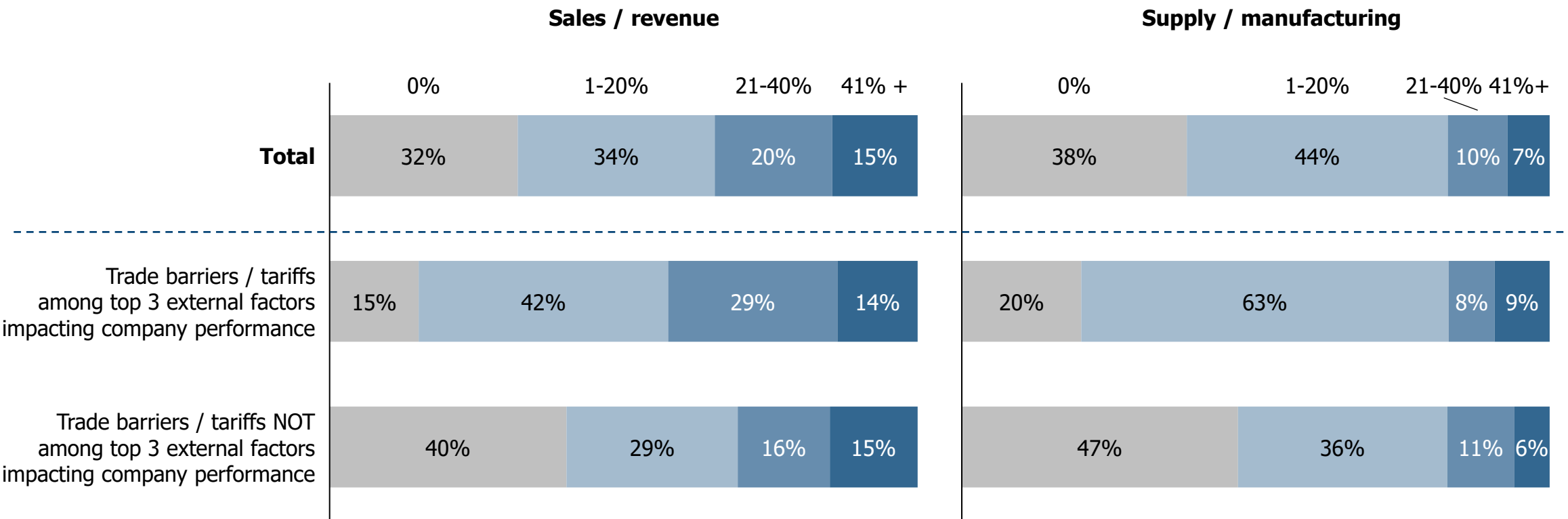
EXTERNAL FACTORS IMPACTING COMPANY PERFORMANCE (Q2 '24 VS Q2 '25)



Q2 '24 n: 206; Q2 '25 n: 219
Notes: Participants could select a maximum of 3 answers. Excludes those who answered 'Other' or 'Don't know'.
Source: Eden McCallum Business Outlook Survey: Q12 - What are the most important external factors likely to impact your company's performance over the next 1-2 years?

A significant minority of business leaders who believe that trade barriers / tariffs will impact their business performance have no exposure to the US

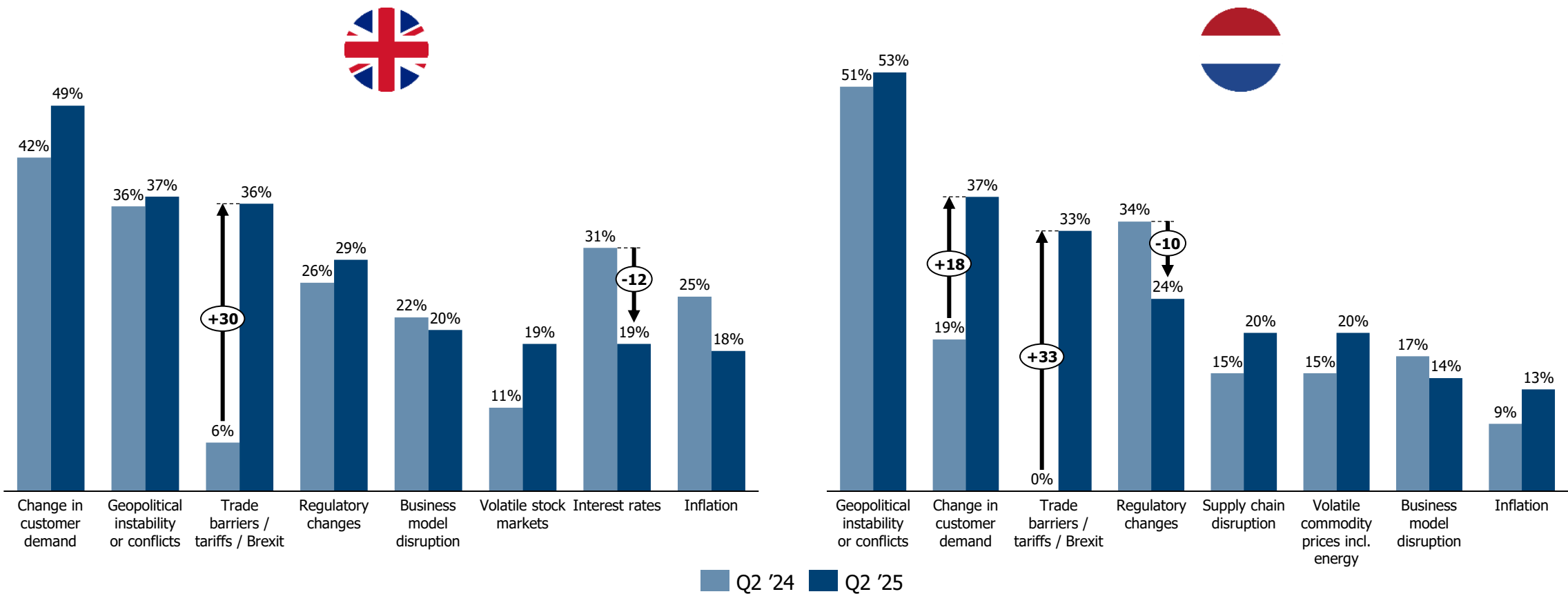
PROPORTION OF BUSINESSES WITH EXPOSURE TO THE US IN TERMS OF...



N: 196-200
 Note: Excludes those who answered 'Don't know'.
 Source: Eden McCallum Business Outlook Survey: Q12 - What are the most important external factors likely to impact your company's performance over the next 1-2 years?, Q14 - What proportion of your company's business has exposure to the US in terms of...[Sales / revenue or Supply / manufacturing]?

Over the past year, focus on trade barriers / tariffs has risen in both countries, while focus on interest rates in the UK and regulatory changes in NL have decreased

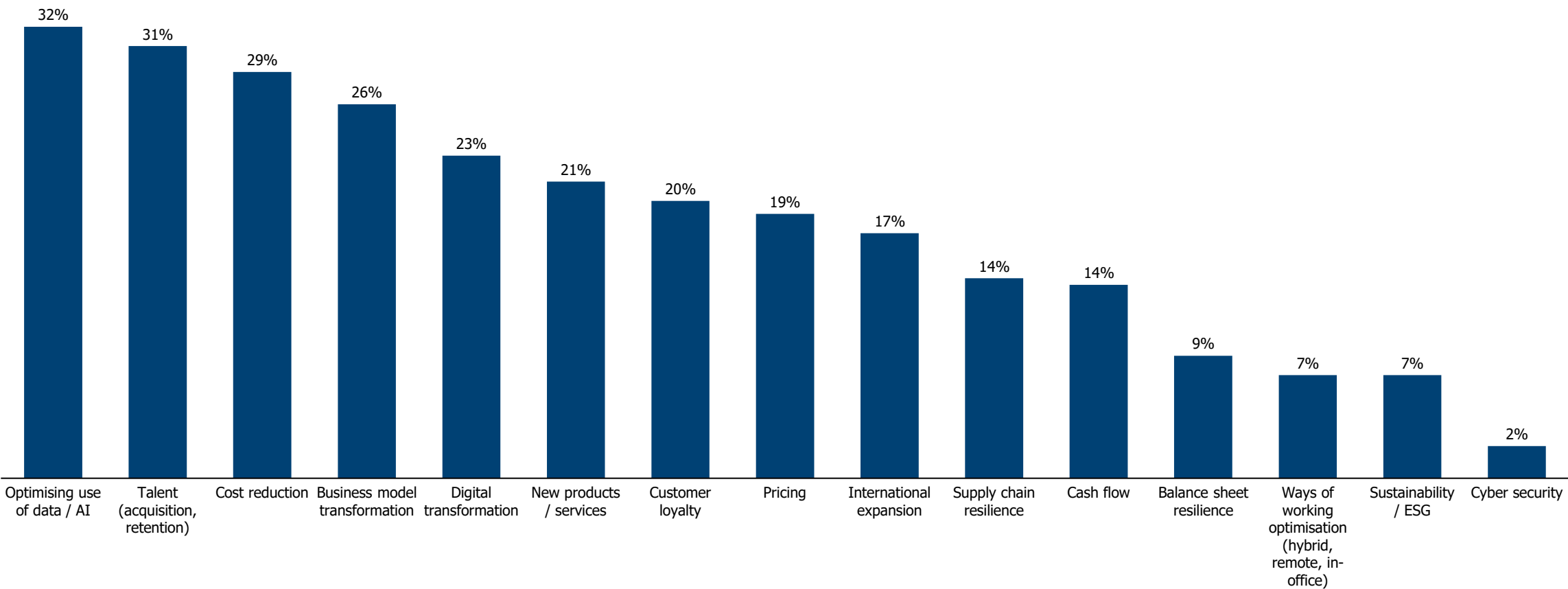
EXTERNAL FACTORS IMPACTING COMPANY PERFORMANCE (Q2 '24 VS Q2 '25)



Q2 '24 UK n: 114, NL n: 47; Q2 '25 UK n: 113, NL n: 70
Notes: Participants could select a maximum of 3 answers. Excludes those who answered 'Other' or 'Don't know'. Top 8 answers per country.
Source: Eden McCallum Business Outlook Survey: Q12 - What are the most important external factors likely to impact your company's performance over the next 1-2 years?

AI, talent, and cost reduction are the most important internal issues for business leaders

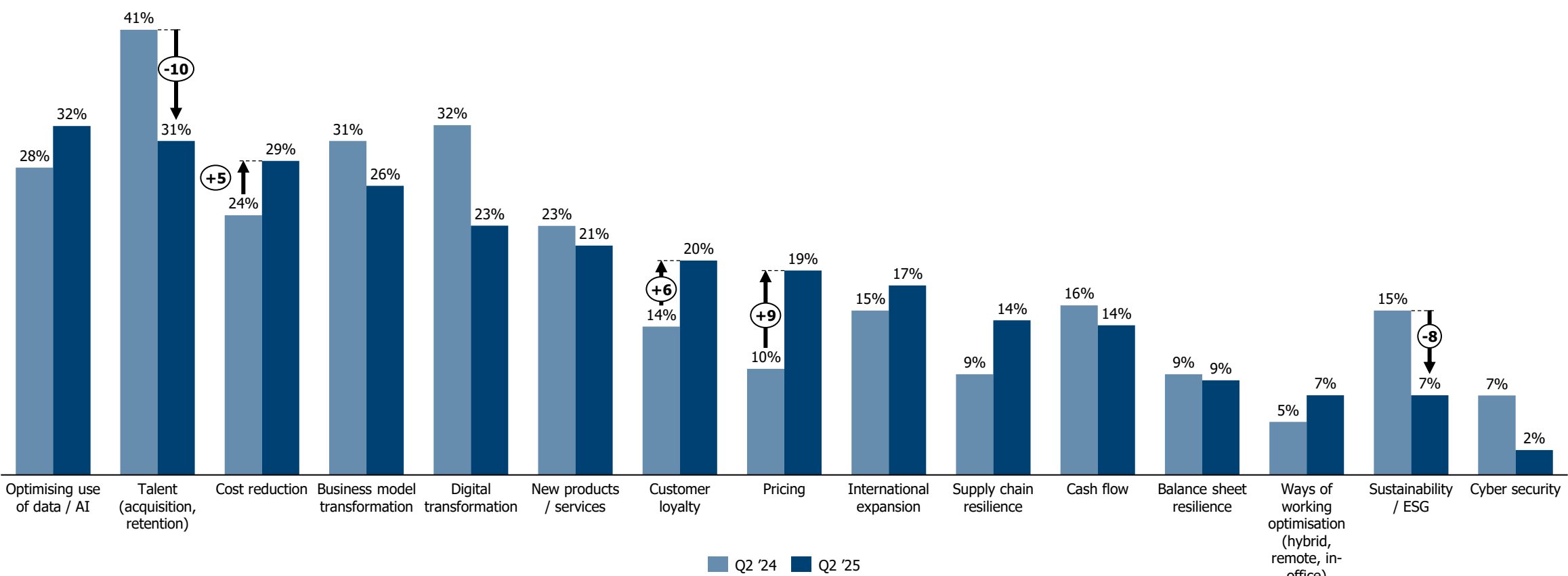
MOST IMPORTANT INTERNAL ISSUES FOR BUSINESSES (Q2 '25)



n: 219
Notes: Participants could select a maximum of 3 answers. Excludes those who answered 'Other' or 'Don't know'.
Source: Eden McCallum Business Outlook Survey: Q13 - What are the most important internal factors likely to impact your company's performance over the next 1-2 years?

The rising importance of AI and cost reduction mean that talent is no longer ‘the issue’ for business leaders, as it has been since Covid

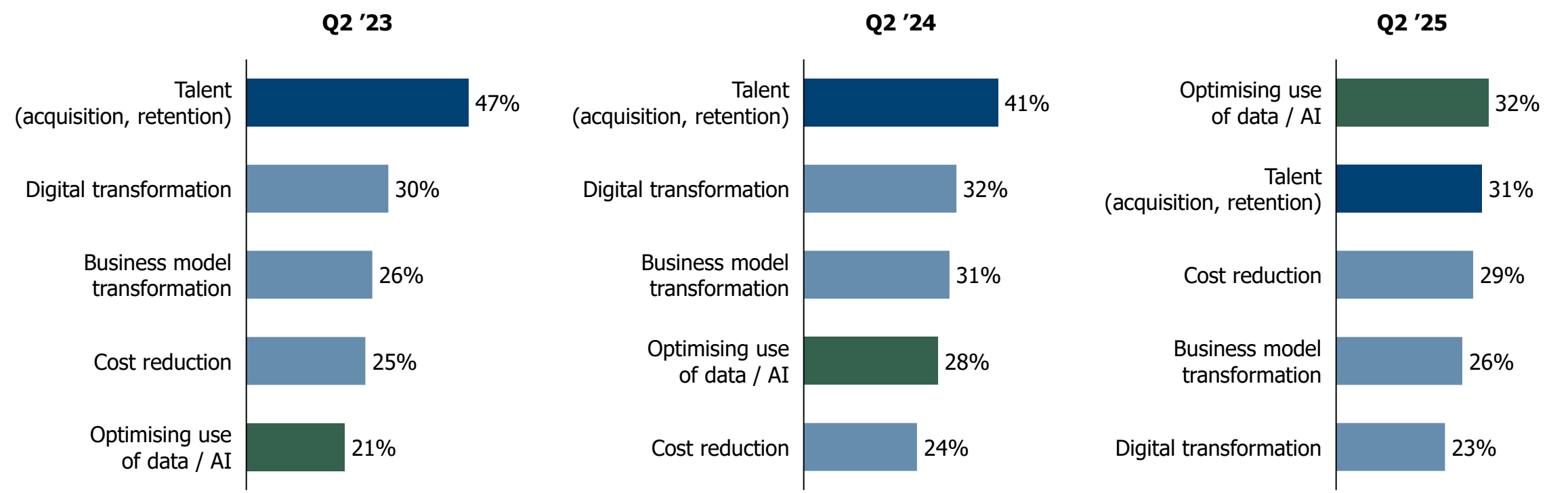
MOST IMPORTANT INTERNAL ISSUES FOR BUSINESSES (Q2 '24 VS Q2 '25)



Q2 '24 n: 206; Q2 '25 n: 219
Notes: Participants could select a maximum of 3 answers. Excludes those who answered 'Other' or 'Don't know'.
Source: Eden McCallum Business Outlook Survey: Q13 - What are the most important internal factors likely to impact your company's performance over the next 1-2 years?

Talent was by far the most important internal issue for businesses in the past two years, but the use of AI has taken the top spot

TOP FIVE INTERNAL ISSUES FOR BUSINESSES (Q2 '23 – Q2 '25)



Q2 '23 n: 208; Q2 '24 n: 206; Q2 '25 n: 219
Notes: Participants could select a maximum of 3 answers. Excludes those who answered 'Other' or 'Don't know'. Top 5 answers shown.
Source: Eden McCallum Business Outlook Survey: Q13 - What are the most important internal factors likely to impact your company's performance over the next 1-2 years?

Contents

Executive Summary

Economic and Business Outlook

Tariffs

DEI

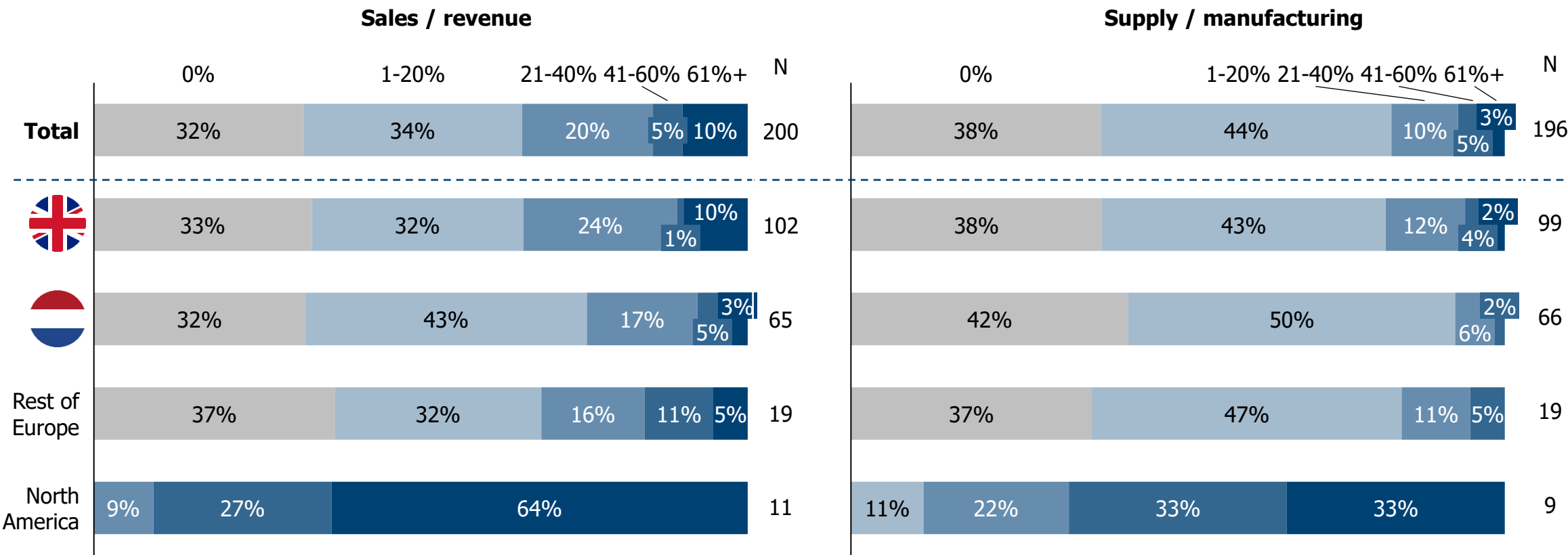
Environmental Sustainability

Appendix: Sample details



Surveyed business leaders generally have their main exposure outside of the US, with a small proportion having over 60% of their business exposed to the US

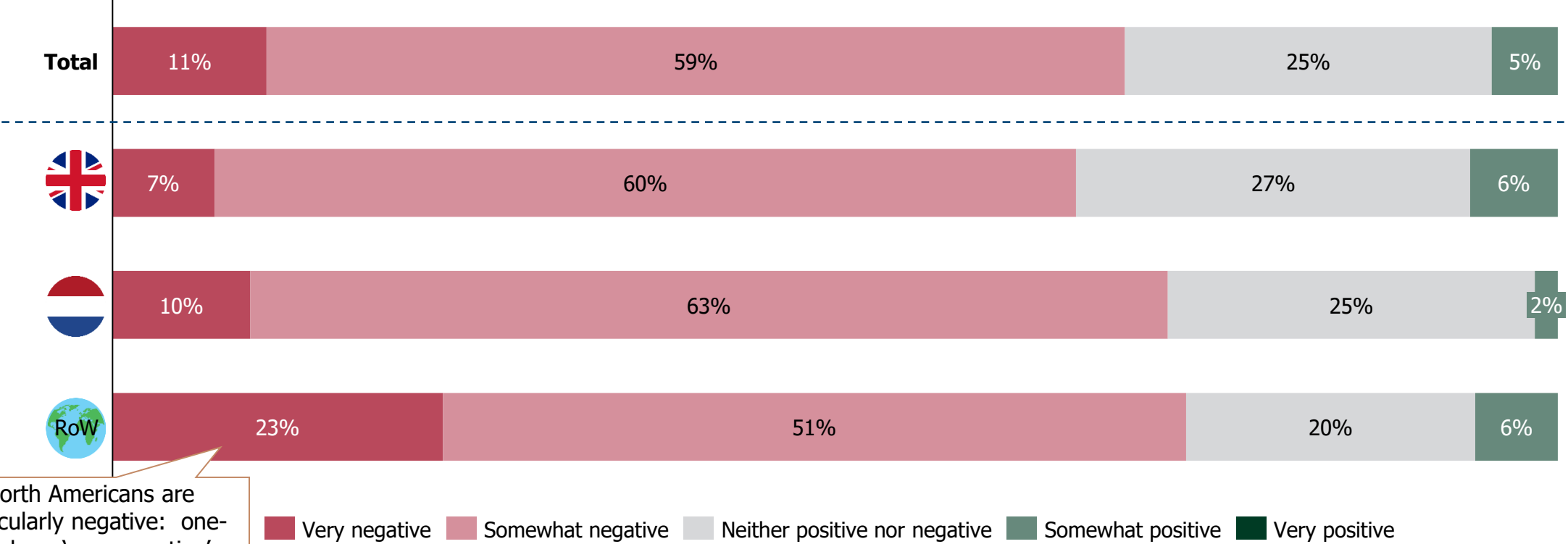
PROPORTION OF SURVEYED BUSINESSES WITH EXPOSURE TO THE US IN TERMS OF...



N: 196-200
 Note: Excludes those who answered 'Don't know'.
 Source: Eden McCallum Business Outlook Survey: Q14 - What proportion of your company's business has exposure to the US in terms of...[Sales / revenue or Supply / manufacturing]?

Business leaders overwhelmingly expect tariffs to have a negative impact on their companies...

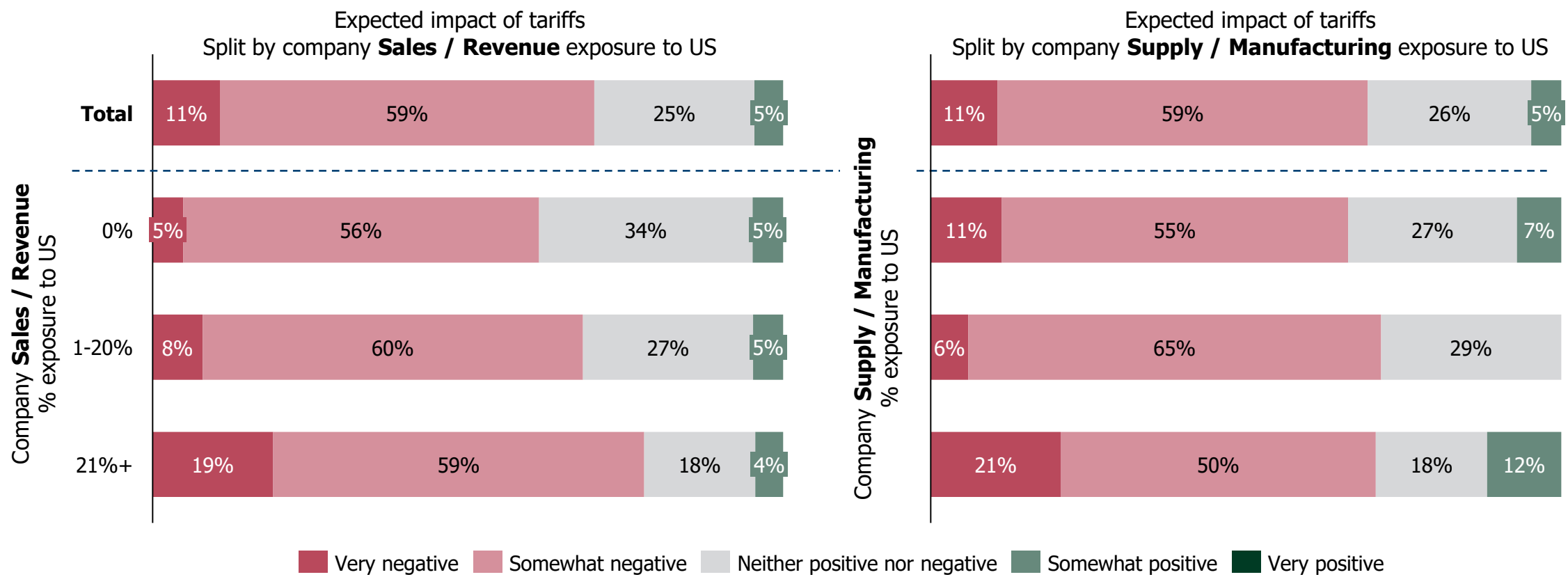
EXPECTED IMPACT OF ANNOUNCED / PROPOSED TARIFFS ON COMPANIES OVER THE NEXT 1-2 YEARS



N: 197
Note: Excludes those who answered 'Don't know'.
Source: Eden McCallum Business Outlook Survey Q2 '25: Q15 - To the extent the announced / proposed tariffs are implemented, what impact do you expect them to have on your company over the next 1-2 years?

... even for those with little exposure to the US

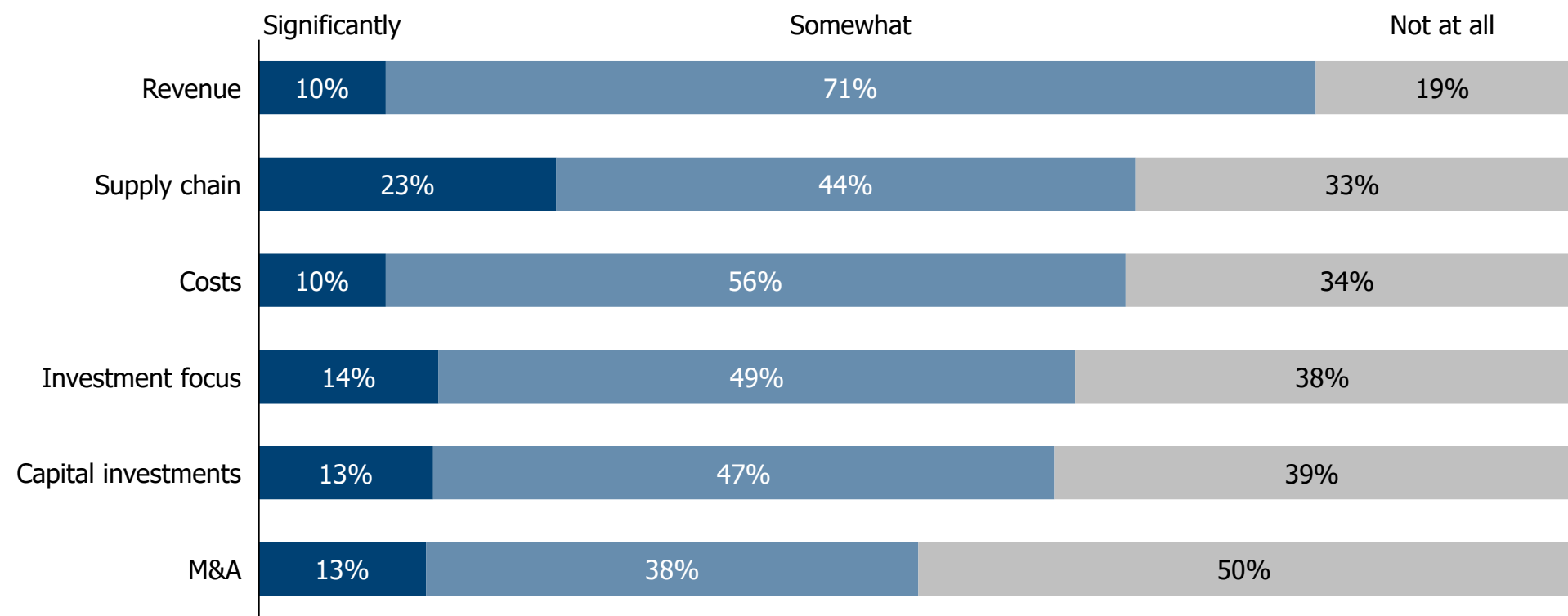
EXPECTED IMPACT OF PROPOSED TARIFFS ON COMPANIES – TOTAL AND BY US EXPOSURE



N: 197
Note: Excludes those who answered 'Don't know'.
Source: Eden McCallum Business Outlook Survey Q2 '25: Q14 - What proportion of your company's business has exposure to the US in terms of...[Sales / revenue or Supply / manufacturing]?, Q15 - To the extent the announced / proposed tariffs are implemented, what impact do you expect them to have on your company over the next 1-2 years?

8 in 10 business leaders expect proposed tariffs to impact revenue and two-thirds expect them to impact supply chains / costs...

EXPECTED EXTENT OF IMPACT OF ANNOUNCED / PROPOSED TARIFFS ON COMPANIES

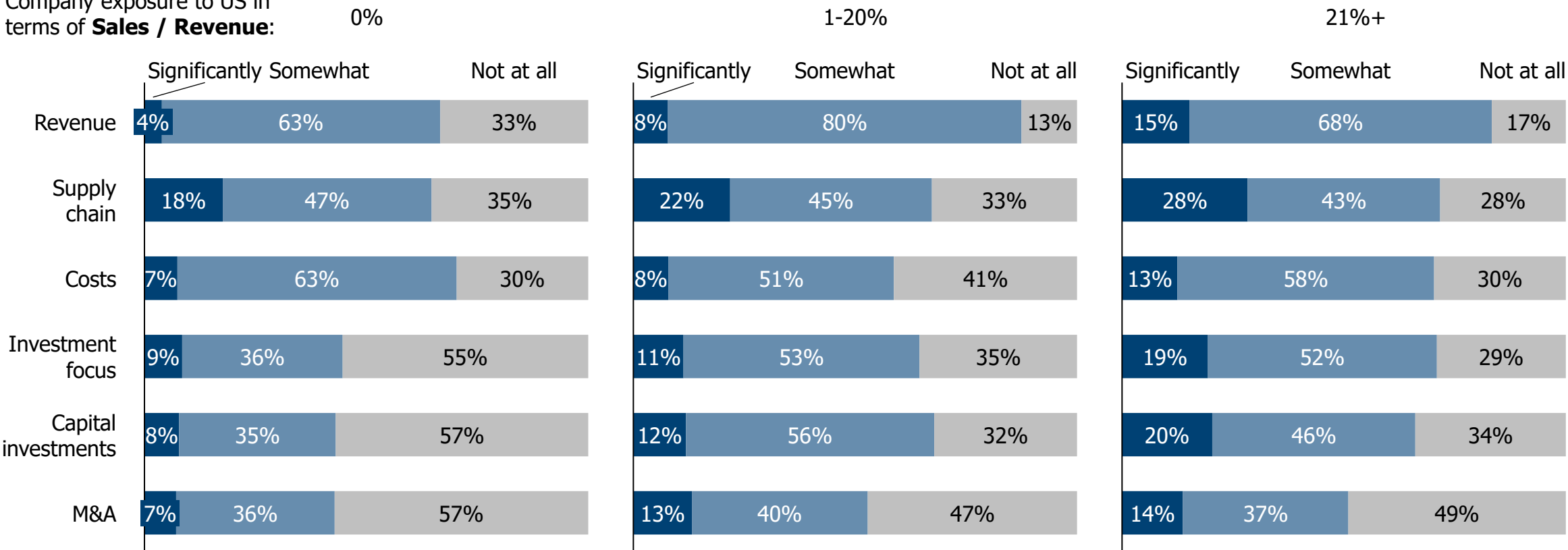


N: 182-199
Note: Excludes those who answered 'Don't know' and 'Not applicable'.
Source: Eden McCallum Business Outlook Survey: Q16 - For your company, to what extent do you expect the announced / proposed tariffs to impact your company – either directly or indirectly (e.g., from their impact on the economy)?

...even for businesses with little exposure to the US

EXPECTED EXTENT OF IMPACT OF ANNOUNCED / PROPOSED TARIFFS ON COMPANIES

Company exposure to US in terms of **Sales / Revenue:**



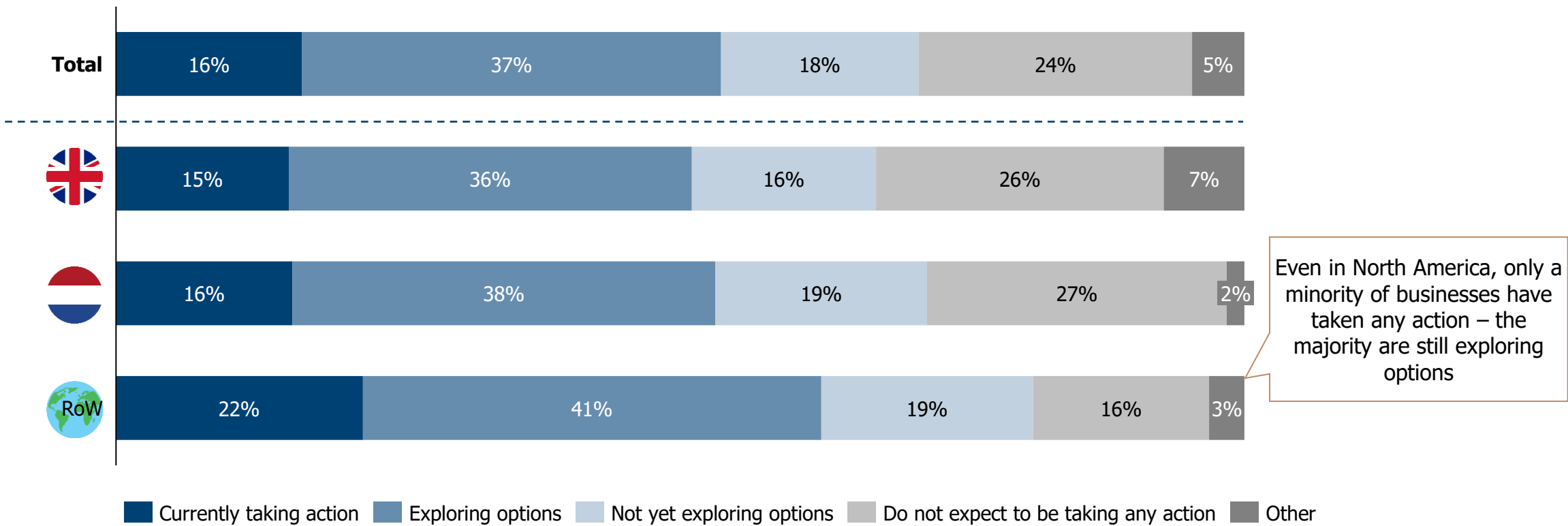
N: 145-181

Note: Excludes those who answered 'Don't know' and 'Not applicable'.

Source: Eden McCallum Business Outlook Survey: Q16 - For your company, to what extent do you expect the announced / proposed tariffs to impact your company – either directly or indirectly (e.g., from their impact on the economy)?

Only a small proportion of companies have taken action in response to the proposed tariffs so far – the majority are planning or expecting to explore options

COMPANIES' RESPONSES TO ANNOUNCED / PROPOSED TARIFFS

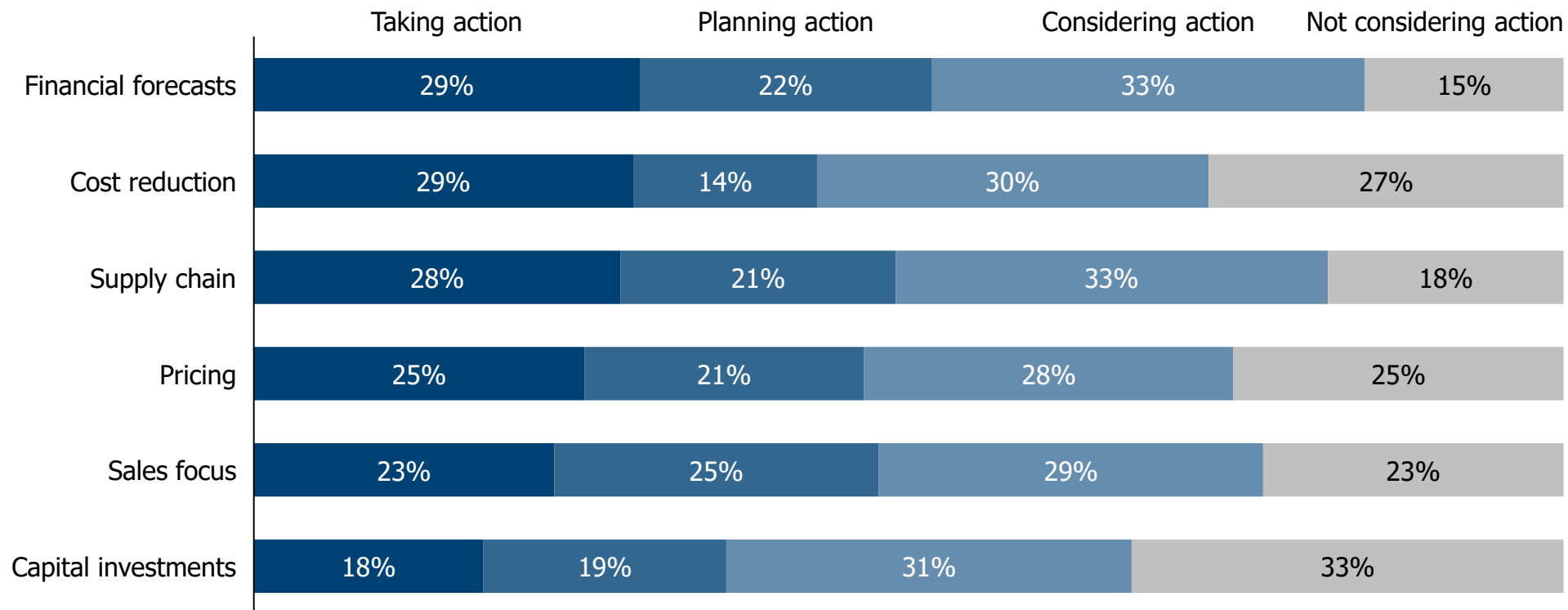


N: 194
Note: Excludes those who answered 'Don't know'.
Source: Eden McCallum Business Outlook Survey: Q17 - Which best describes your company's current response to the announced / proposed US tariffs?

Business leaders are taking / planning a range of actions, including revising financial forecasts, cutting costs, and shifting their supply chains, pricing, and sales focus

COMPANIES' RESPONSES TO ANNOUNCED / PROPOSED TARIFFS

Excludes companies that are not expecting to take any action



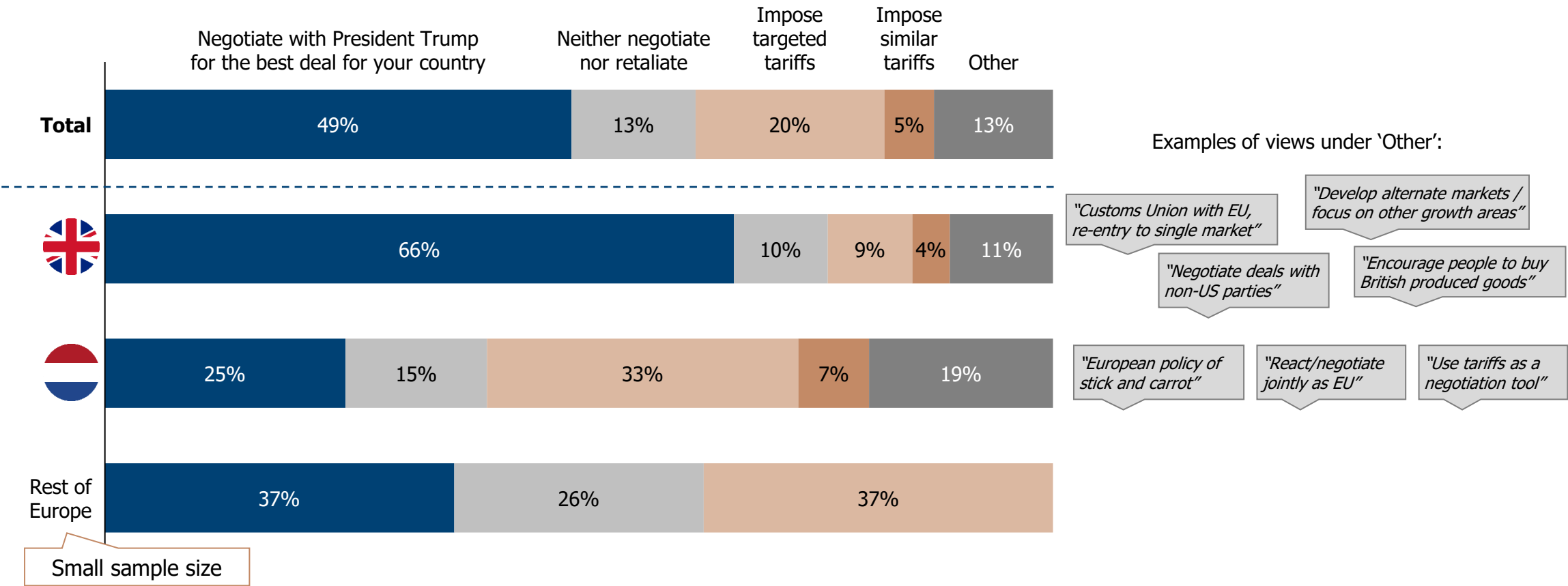
N: 97-112

Note: Excludes those who answered 'Don't know', 'Not applicable', and those who do not expect to take any action in the previous question.

Source: Eden McCallum Business Outlook Survey: Q18 - If your company is planning to or taking action in response to the announced / proposed tariffs and their direct or indirect impact, which of the following areas is your company planning/taking action in?

Two-thirds of UK business leaders believe the UK government should negotiate with Trump; continental Europeans are more inclined to retaliate

PERSONAL VIEWS OF HOW GOVERNMENTS SHOULD RESPOND TO TARIFFS US respondents were not asked this question



N: 191
 Note: Excludes those who answered 'Don't know'.
 Source: Eden McCallum Business Outlook Survey: Q19 - What best describes your personal view of how your government should respond?

Contents

Executive Summary

Economic and Business Outlook

Tariffs

DEI

Environmental Sustainability

Appendix: Sample details



DEI plays a substantial role in around half of the companies surveyed

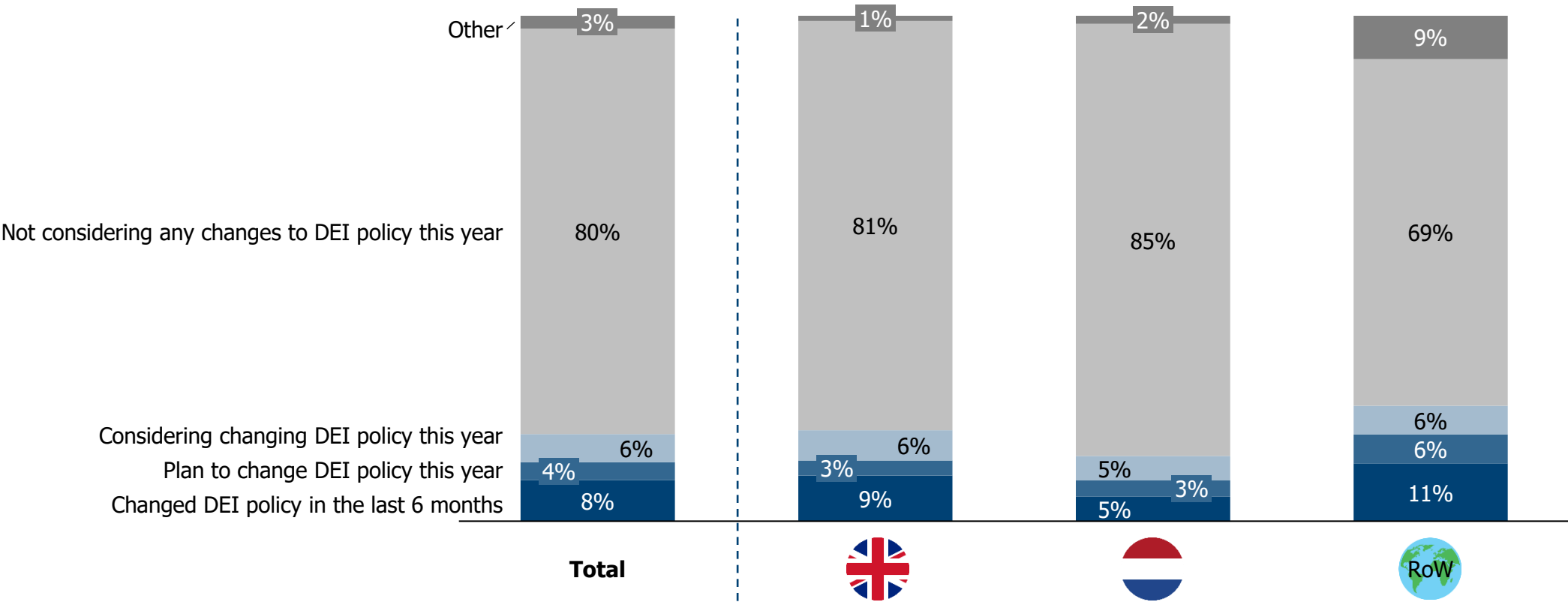
COMPANIES' APPROACHES TO DEI



N: 198
Note: Excludes those who answered 'Don't know'.
Source: Eden McCallum Business Outlook Survey: Q20 - Which of the following best describes your company's current approach to DEI?

A significant minority of businesses have changed or are considering changing their DEI policy since Trump's election

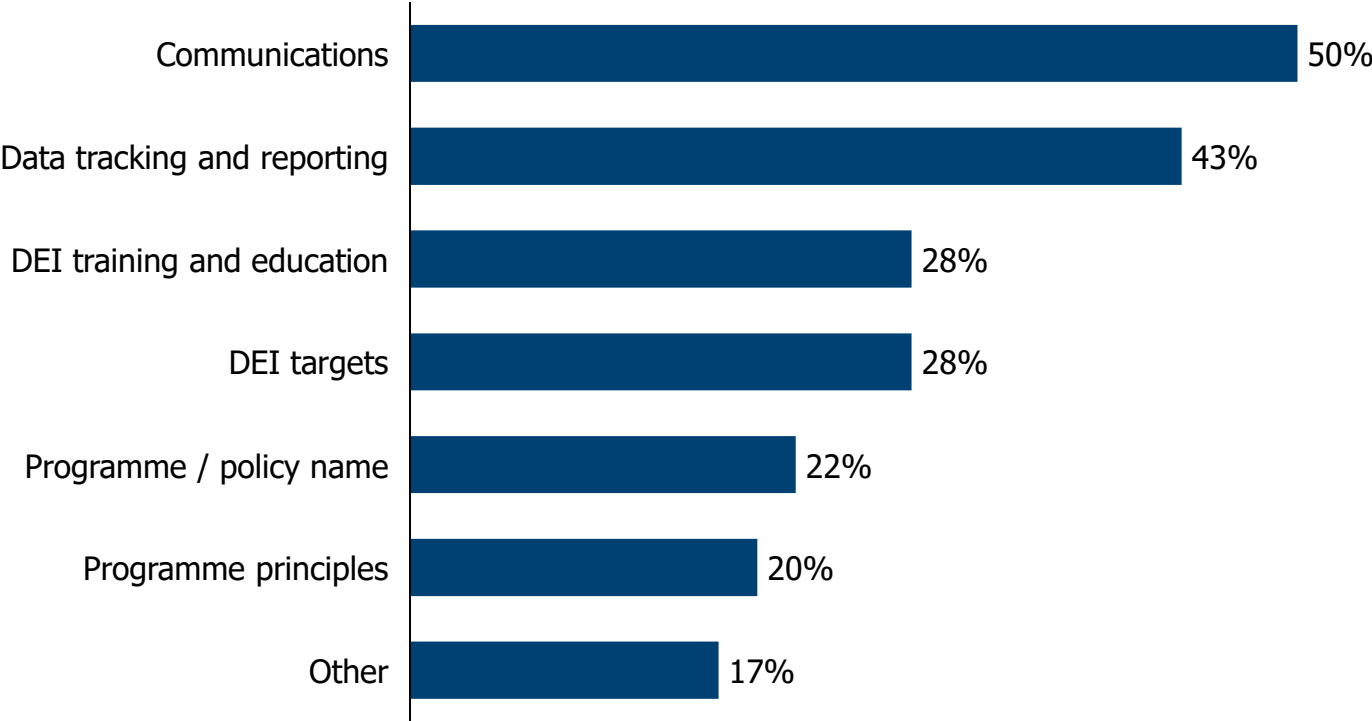
COMPANIES' APPROACH TO DEI POLICY



N: 197
Note: Excludes those who answered 'Don't know'.
Source: Eden McCallum Business Outlook Survey: Q21 - Has your company changed its DEI policy in the last 6 months?

Where companies are making changes to their DEI approach, these changes tend to be about communications and data tracking/ reporting

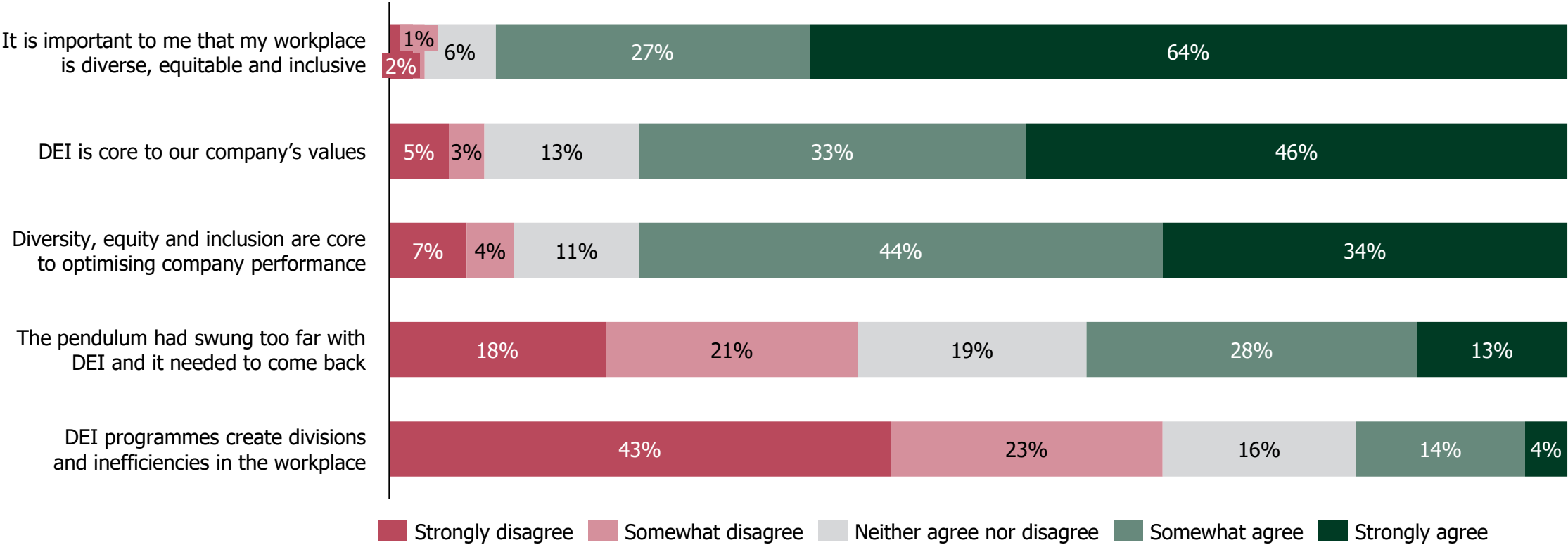
CHANGES TO COMPANIES' DEI APPROACH



N: 46
Note: Excludes those who answered 'Don't know', and those who are not making changes to their DEI approach.
Source: Eden McCallum Business Outlook Survey: Q22 - In what ways has your company changed / is your company considering changing its DEI approach? [Tick all that apply]

Business leaders broadly agree that DEI is core to their personal and company values, but are split on whether the pendulum has swung too far on DEI

RESPONDENTS' ATTITUDES TOWARDS DEI



N: 195-199
Note: Excludes those who answered 'Don't know'.
Source: Eden McCallum Business Outlook Survey: Q24 - How strongly do you agree or disagree with the following statements?

Contents

Executive Summary

Economic and Business Outlook

Tariffs

DEI

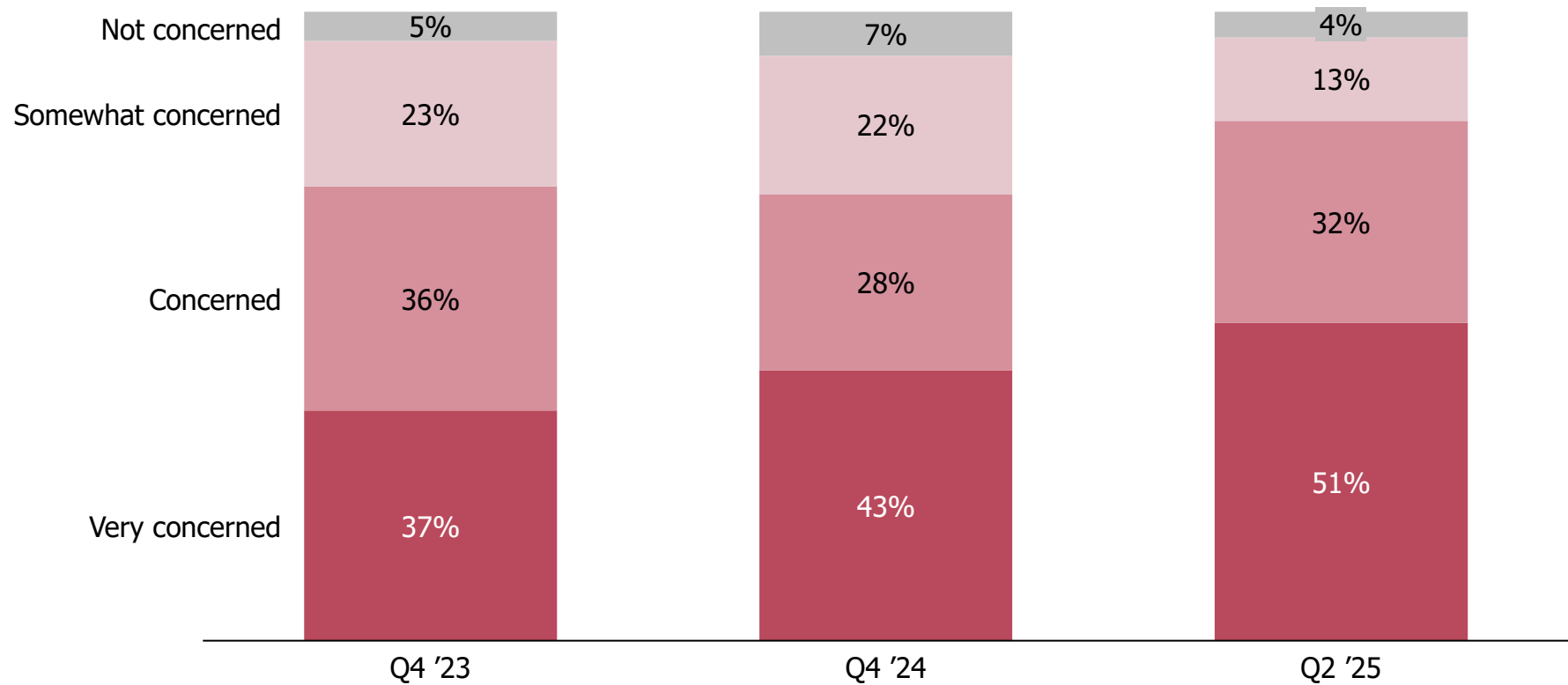
Environmental Sustainability

Appendix: Sample details



Business leaders' personal concern about environmental sustainability has grown, particularly over the past six months

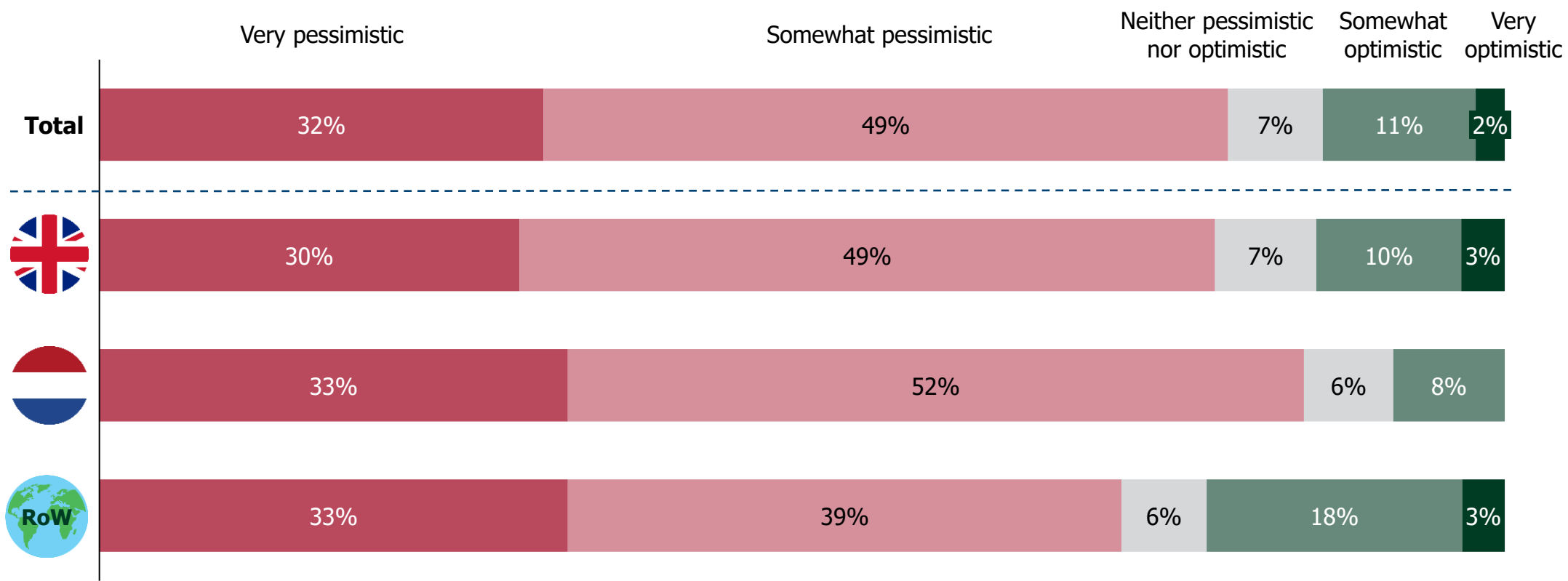
PERSONAL CONCERN ABOUT ENVIRONMENTAL SUSTAINABILITY (Q4 '23 – Q2 '25)



Q4 '23 n: 216, Q4 '24 n: 228, Q2 '25 n: 196
Note: Excludes those who answered 'Don't know'.
Source: Eden McCallum Business Outlook Survey: Q25 - How concerned are you personally about environmental sustainability?

c. 80% of business leaders are pessimistic about their country achieving the target of net zero greenhouse gas emissions by 2050

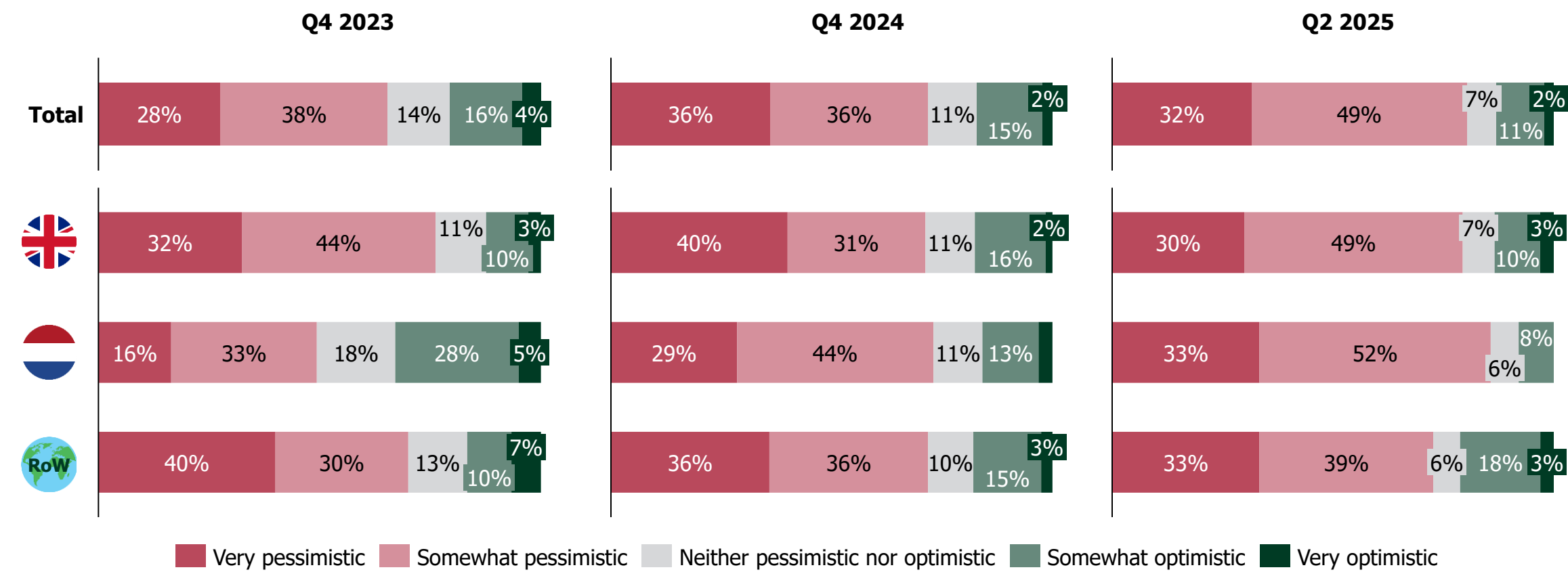
COUNTRY NET ZERO OUTLOOK (Q2 '25)



Total n: 193; UK n: 97; NL n: 63; RoW n: 33
Note: Excludes those who answered 'Don't know'.
Source: Eden McCallum Business Outlook Survey: Q26 - How pessimistic or optimistic are you about your country achieving the target of net zero greenhouse gas emissions by 2050?

Pessimism about respondents' countries achieving net zero greenhouse gas emissions by 2050 has grown since Q4 2023, and has grown fastest in the Netherlands

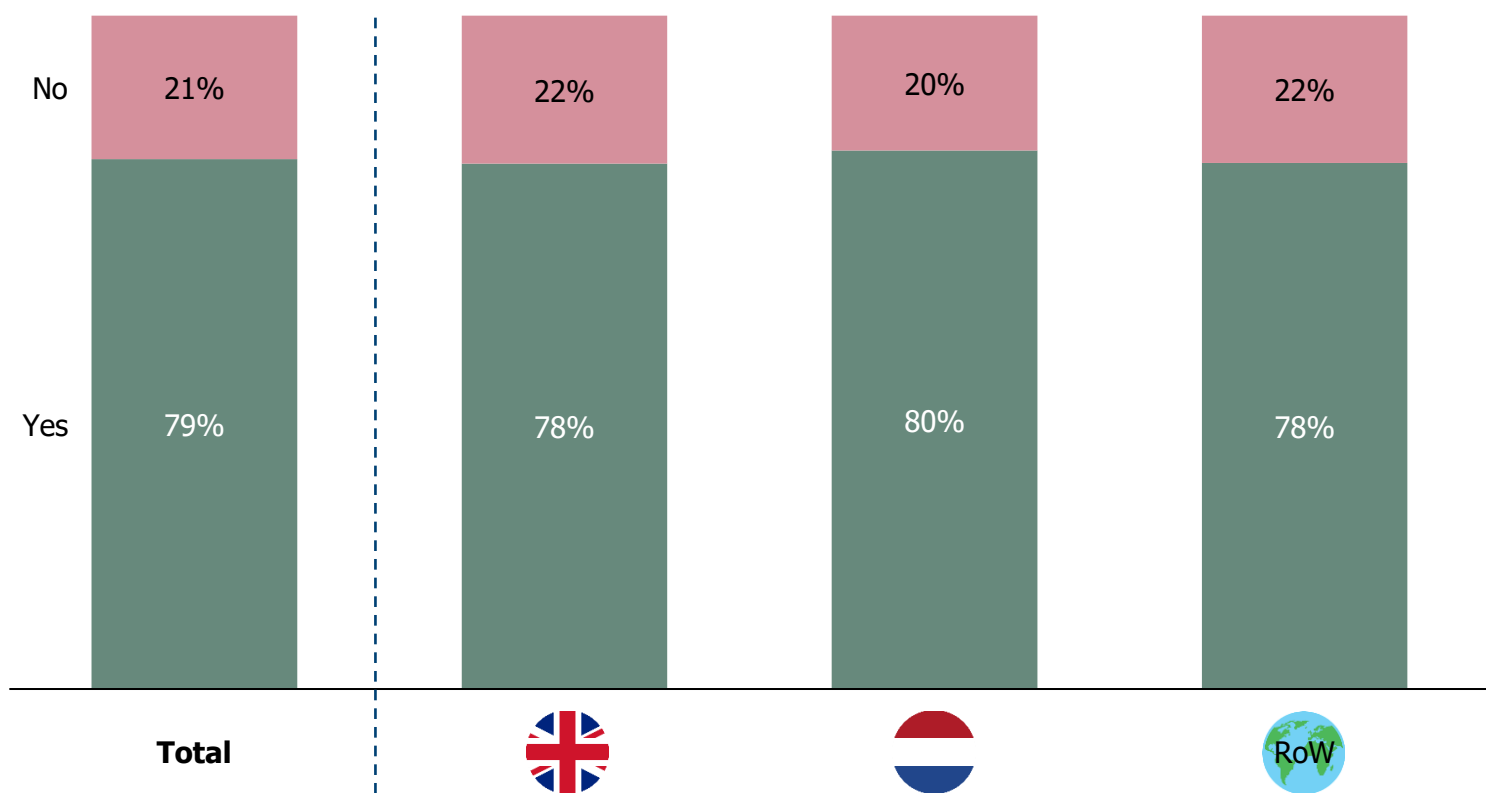
COUNTRY NET ZERO OUTLOOK (Q4 '23 - Q2 '25)



Q4 '23 Total n: 214; UK n: 105; NL n: 79; RoW n: 30; Q4 '24 Total n: 227, UK n: 125, NL n: 63, RoW n: 39; Q2 '25 Total n: 193; UK n: 97; NL n: 63; RoW n: 33
 Note: Excludes those who answered 'Don't know'.
 Source: Eden McCallum Business Outlook Survey: Q26 - How pessimistic or optimistic are you about your country achieving the target of net zero greenhouse gas emissions by 2050?

The majority of companies surveyed have environmental sustainability plans with specific, time-bound targets in place

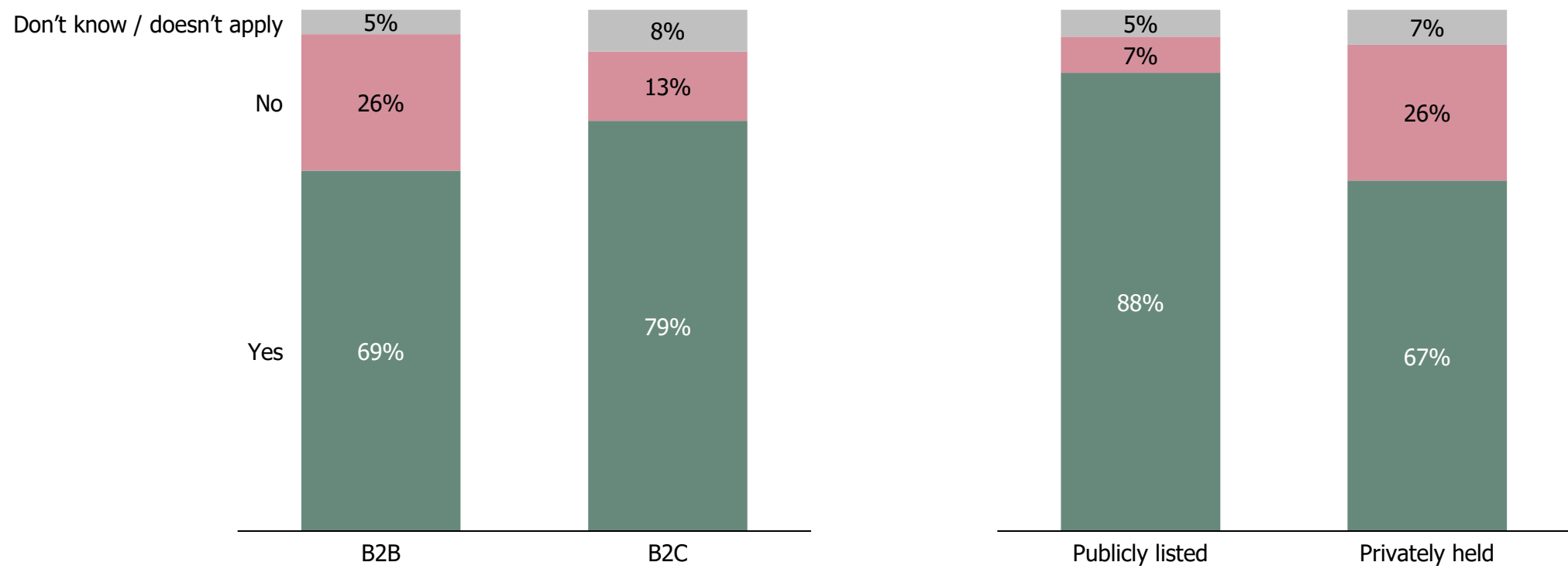
CORPORATE ENVIRONMENTAL SUSTAINABILITY PLANS WITH SPECIFIC, TIME-BOUND TARGETS (Q2 '25)



N: 183
Note: Excludes those who answered 'Don't know / doesn't apply'.
Source: Eden McCallum Business Outlook Survey: Q27 - Does your organisation have an environmental sustainability plan with specific, time-bound targets?

A greater proportion of B2C and publicly listed companies have environmental sustainability plans with specific, time-bound targets

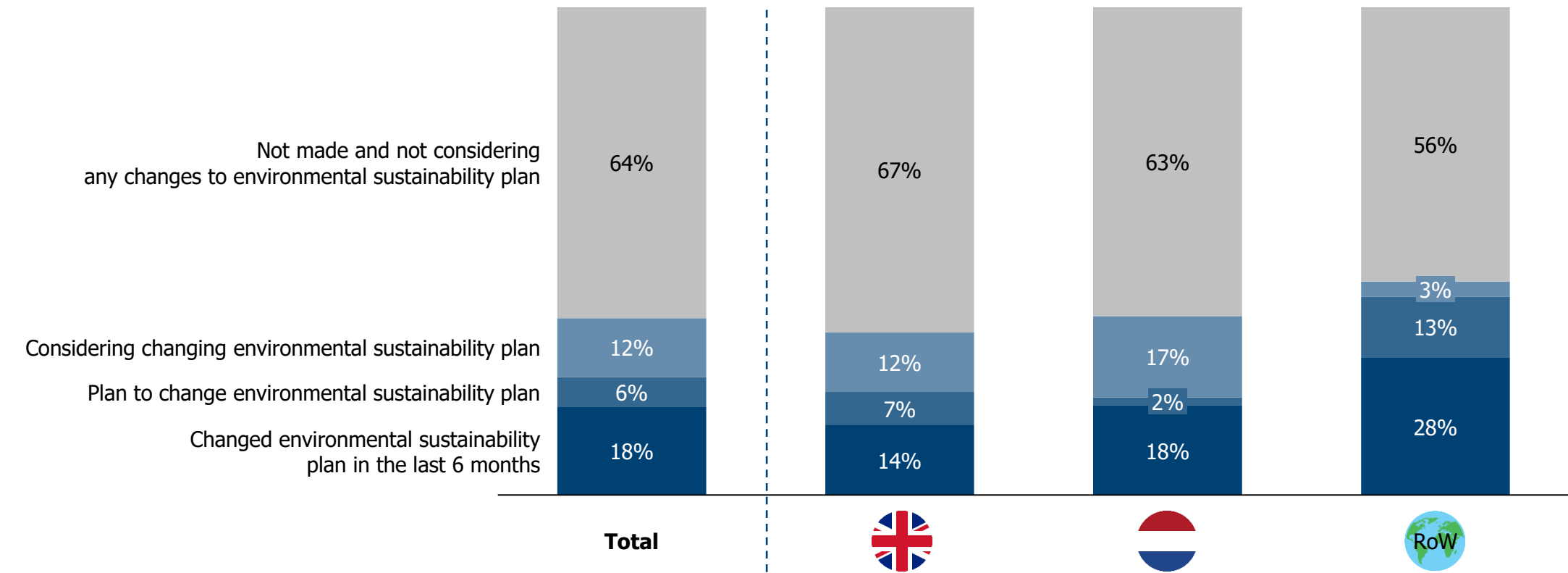
CORPORATE ENVIRONMENTAL SUSTAINABILITY PLANS WITH SPECIFIC, TIME-BOUND TARGETS (Q2 '25)



N: 182-196
Source: Eden McCallum Business Outlook Survey: Q27 - Does your organisation have an environmental sustainability plan with specific, time-bound targets?

About a third of business leaders have made or planned / considered making changes to their environmental sustainability plans since Trump's election

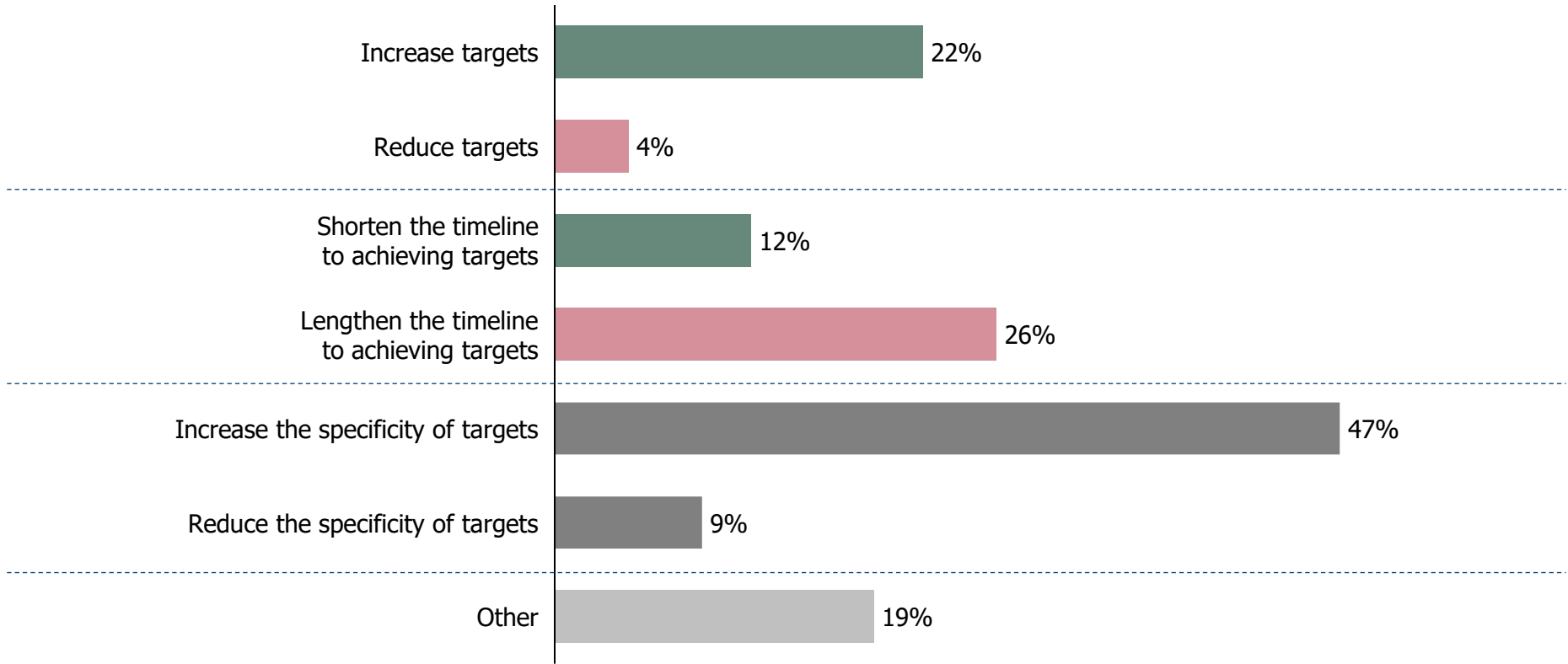
COMPANIES' APPROACHES TO ENVIRONMENTAL SUSTAINABILITY PLANS



N: 183
Note: Excludes those who answered 'Other' or 'Don't know'.
Source: Eden McCallum Business Outlook Survey: Q28 - Has your company changed its environmental sustainability plan in the last 6 months or is planning to do so?

Companies that are making changes to their environmental sustainability plans tend to be increasing the number and/or specificity of targets, and/or lengthening timelines

CHANGES TO COMPANIES' ENVIRONMENTAL SUSTAINABILITY PLANS



N: 68
Note: Excludes those who answered 'Don't know', and those who are not making changes to their Environmental Sustainability Plan.
Source: Eden McCallum Business Outlook Survey: Q29 - If your company has changed or is considering / planning to change its environmental sustainability plan, is that to... [tick all that apply]

Contents

Executive Summary

Economic and Business Outlook

Tariffs

DEI

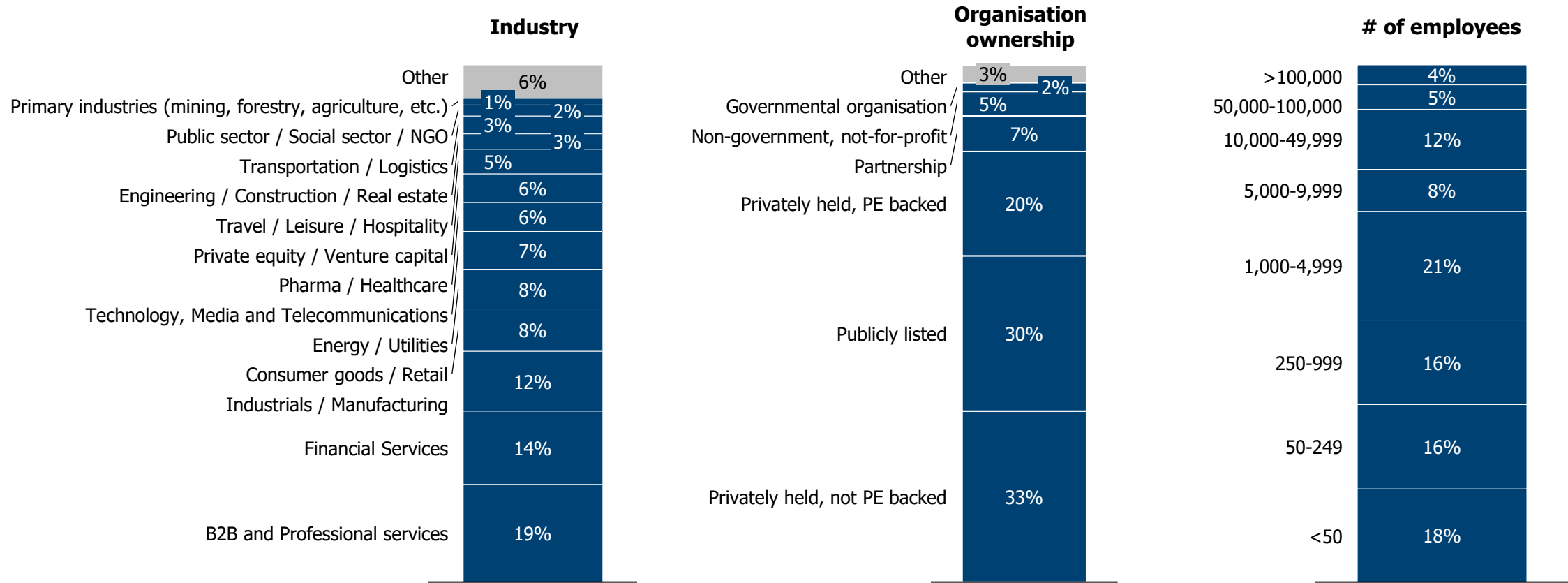
Environmental Sustainability

Appendix: Sample details



Survey sample information [1 of 2]

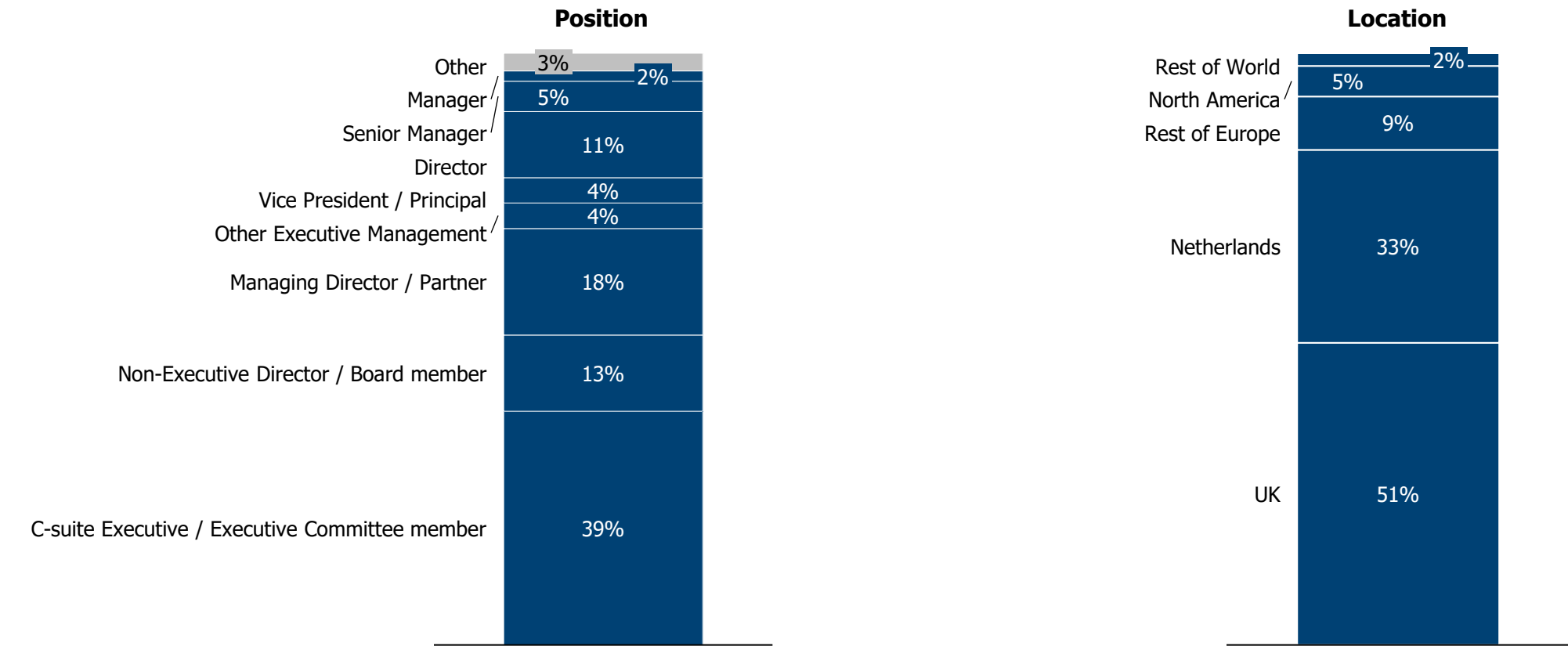
KEY FACTS ABOUT THE SAMPLE SURVEY RESPONDENTS' ORGANISATIONS



n: 233
Source: Eden McCallum Business Outlook Survey: Q1 - What industry is your company / organisation in? ; Q4 - How would you best describe your organisation? Please select one.. ; Q2 - How many people does your company / organisation employ in total?

Survey sample information [2 of 2]

KEY FACTS ABOUT THE SAMPLE SURVEY RESPONDENTS



n: 233
Source: Eden McCallum Business Outlook Survey: Q5 - Which of the following best describes your role within your organisation?; Q3 – In which country do you live?