



Dun & Bradstreet Global Business Optimism Insights Report Reveals Cautious Economic Outlook for Q1 2025

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Slow economic growth, rising geopolitical tensions, and increasing trade uncertainties drive down overall optimism levels

JACKSONVILLE, Fla.--(BUSINESS WIRE)--Jan. 22, 2025-- Dun & Bradstreet (NYSE:DNB), a leading global provider of business decisioning data and analytics, today released its Q1 2025 Global Business Optimism Insights report. The survey, conducted during November 2024, revealed a 12.9% quarter-over-quarter decline in the Global Business Optimism Index for Q1 2025, reflective of growing concerns over weak economic growth, rising geopolitical risks, and trade policy uncertainties.

This shift suggests a redirection from previously elevated optimism levels seen in the latter half of 2024 and indicates a more cautious approach by businesses, particularly in terms of supply chain stability and investment strategies. The anticipation of policy changes from the new U.S. administration may have also contributed to lower optimism. Despite this quarterly decline, 30 of 32 economies show optimism levels above those seen in Q1 2024, signaling a correction from previously elevated optimism levels rather than a bleak outlook.

"Survey respondents have a guarded outlook for the quarter ahead due to the evolving economic and political landscape that may impact how the world does business," said Neeraj Sahai, President of Dun & Bradstreet International. "Optimism levels for supply chain risks vary across business size with large businesses indicating increased optimism and resilience by leveraging their economies of scale and reliance on alternative sourcing. Medium-sized businesses experienced the sharpest deterioration with a 36% decline, indicating that these businesses have not been able to counter the challenges posed by cross-country trade, while simultaneously facing insufficient local supplies, further showing heightened concern on the supply chain continuity front. Small businesses had a moderate decline of 3.5%."

Key findings from the Q1 2025 report:

- The **Global Business Optimism Index** dropped by 12.9%, its first decline since the series began, with all 32 surveyed economies seeing a downturn, reflecting heightened economic uncertainty, geopolitical tensions, and sluggish growth. However, for over 90% of the economies, the optimism levels remain above Q1 2024, signaling a correction from previously elevated optimism levels.
 - Over 80% of the economies reported a decline in optimism for new export orders, with almost half of them having more than 10% trade exposure to either the U.S. or the Chinese Mainland.
- The **Global Supply Chain Continuity Index** deteriorated by 10.4% after three quarters of improvement. Persistent challenges such as freight costs, container shortages, and geopolitical disruptions, as well as payment delays, contributed to this decline.
 - Optimism among large businesses improved 10.7% due to their economies of scale and reliance on alternative sourcing. Medium-sized businesses lagged with 66% reporting lower optimism. Small businesses, despite a 3.5% decline, are optimistic about delivery times, delivery costs, and supplier concentration due to their ability to source locally and relocate production bases.
- The **Global Business Financial Confidence Index** declined 8.9%, for both advanced and emerging economies, with over 90% of the economies reporting a decline in their financial confidence index.
 - This decline can be attributed to the uncertain macroeconomic environment, weak demand outlook, increased balance sheet risk, and declining financial risk appetite, especially among small and medium-sized businesses. Optimism among large businesses, in contrast, improved 12.7%.
- The **Global Business Investment Confidence Index** decreased by 4.7%, though it is still 12% higher than the 5-quarter average, reflecting commitments by many central banks to lower their policy rates.
 - Globally, 66% of businesses reported a need to raise long-term funds, a significant decline from 71% in the previous quarter. M&A activity remains a bright spot, with 78% of businesses anticipating a conducive environment.
- The **Global Business ESG Index** rose 2.4%, highlighting businesses' focus on sustainability despite challenging economic conditions.
 - Notably, responses highlighted the differing strategies between the U.S. and the European Union to increase budgets for sustainability initiatives in Q1, particularly in automotive manufacturing spending, likely due to varying expectations of policy changes that may impact budget allocations.

"Businesses have entered the new year with subdued expectations for Q1 2025 and are grappling with supplier risk as only 51% of businesses expressed confidence in managing supplier concentration risk, compared with 59% in Q4," said Arun Singh, Global Chief Economist at Dun & Bradstreet. "Further, central banks globally are implementing interest rate cuts, yet the cost of capital is perceived to remain elevated, indicating heightened credit risk. This is also accentuated by lower optimism for sales and profitability."

Descriptions and information about the indices can be found on page 31 of the report.

About the Global Business Optimism Insights Report

The Global Business Optimism Insights report is a synthesis of data from a comprehensive survey encompassing 32 economies, covering approximately 10,000 businesses and 17 sectors, alongside insights from Dun & Bradstreet, leveraging the firm's proprietary data and economic expertise. The report is an amalgamation of five indices which reflect overall business optimism and expectations about supply chain continuity, financial and investment conditions and ESG initiatives. An index reading above 100 indicates an improvement in optimism relative to the base year, while an index reading below 100 signifies a deterioration in optimism.

View the full report [here](#).

About Dun & Bradstreet

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