

## ASSESSMENT OF THE BUSINESS CLIMATE OF EASTERN EUROPEAN COUNTRIES

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**Abstract.** *The article examines the business climate of four Eastern European countries - Poland, the Czech Republic, Slovakia and Hungary. It is noted that the business climate is a complex concept that depends on many factors, including the regulatory policy of the state. Comparing countries by various indicators, such as labour remuneration, taxes and currency restrictions, it is concluded that each country has both advantages and disadvantages for doing business. Therefore, the choice of a country for entrepreneurial activity depends on the interests and priorities of a particular business.*

**Keywords:** *business climate, investment climate, regulatory policy, taxes, currency restrictions.*

The article examines the business climate of four Eastern European countries – Poland, the Czech Republic, Slovakia and Hungary to determine their attractiveness for entrepreneurial activity. It is emphasized that the business climate, although close in content to the investment climate, is distinguished by its focus on small and medium-sized businesses (SMEs) and depends on state regulatory policy. It is emphasized that the business climate is a multifaceted concept influenced by many factors. Some of them were assessed by the World Bank in the Doing Business rating. However, a significant number of other, more difficult to formally measure, aspects remain outside the attention of this organization.

The study compares the above-mentioned countries in terms of such parameters as wages, taxes and currency restrictions. The analysis results conclude that each of them has both advantages and disadvantages for doing business. Therefore, it is impossible to unequivocally state that there is an ideal or unfavourable business climate in any of them. The choice of a country for starting and conducting business depends on the individual needs and priorities of each entrepreneur.

Common to all countries of Central and Eastern Europe is the recognition of the importance of SMEs and active state support for their development.

The business climate is a complex concept that covers a wide range of factors - from the level of economic development to specific legislative norms, such as tax rates or minimum wages. It primarily concerns the development potential of SMEs and is determined by the effectiveness of the state's regulatory policy, which includes tax incentives, currency liberalization, availability of loans and other measures aimed at creating favourable

conditions for doing business.

In general, the countries of Central and Eastern Europe are promising for Ukrainian business. Ukraine is also actively working to improve its business climate, as evidenced by the results of surveys of migrants in Europe, who believe that the opportunities to succeed in Ukraine and abroad are approximately the same.

It is expected that competition between European countries, including Ukraine, for the attention and resources of small businesses will only intensify, especially given that the EU highly values the role of SMEs in economic development and social stability.

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